

J.P.Morgan

J.P. Morgan Structured Products B.V.
(*incorporated with limited liability in The Netherlands*)
as Issuer

JPMorgan Chase Bank, N.A.
(*a national banking association organised pursuant to the laws of the United States of America*)
as Guarantor

French law Programme for the issuance of Notes, Warrants and Certificates

This document (this "**Base Prospectus**") constitutes a base prospectus for the purposes of Article 5.4 of the Directive 2003/71/EC (the "**Prospectus Directive**") and has been prepared in accordance with Chapter 5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (the "**Financial Supervision Act**") and the regulations thereunder (together, the "**Dutch Securities Laws**") and related to issues of non-equity securities under the French law Programme for the issuance of Notes, Warrants and Certificates (each as defined below) described herein (the "**Programme**") issued by J.P. Morgan Structured Products B.V. ("**JPMSP**") under the Programme.

Under the Programme, JPMSP (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes or other similar instruments ("**Notes**"), warrants or other similar instruments ("**Warrants**") and certificates or other similar instruments ("**Certificates**") and, together with the Warrants, "**Securities**"). Notes, Warrants and Certificates shall be referred to collectively as "**Instruments**" hereunder. Instruments will be guaranteed (the "**Guarantee**") by JPMorgan Chase Bank N.A., ("**JPMCB**" or "**JPMorgan Chase Bank**"), acting in its capacity as guarantor (the "**Guarantor**"). Notes are to be issued in the form of *obligations* under French law if so specified in the relevant Final Terms. The aggregate nominal amount of Notes outstanding will not at any time exceed USD 1,000,000,000 (or the equivalent in other currencies). There is no limit on the amount of Securities which may be outstanding.

Application has been made to the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) ("**AFM**") in its capacity as competent authority under the Dutch Securities Laws to approve this Base Prospectus.

Application has also been made for Instruments issued within the period of 12 months from the date of this Base Prospectus to be listed and admitted for trading on Euronext Amsterdam by NYSE Euronext ("**Euronext Amsterdam**"). Euronext Amsterdam is a regulated market for the purposes of Directive 2004/39/EC on Markets in Financial Instruments ("**MiFID**") (a "**Regulated Market**"). Application may also be made for the Instruments to be admitted to listing and/or trading on regulated markets (as from time to time determined for the purposes of MiFID) in any member state of the European Economic Area or on any other listing authority, stock exchange or quotation system. Instruments which are not so admitted may also be issued pursuant to the Programme. The relevant Final Terms (as such term is defined in "Summary - Method of Issue") in respect of the issue of any Instruments will specify whether or not an application for admission to Euronext Amsterdam or by or on any other listing authority, stock exchange or quotation system will or has been made.

The Instruments and the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws, and trading in the Instruments has not been approved by the U.S. Commodity Futures Trading Commission (the "**CFTC**") under the U.S. Commodity Exchange Act, as amended (the "**CEA**"). Subject to certain exceptions, Instruments may not be offered, sold, pledged, assigned, delivered, transferred or redeemed at any time within the United States (or its possessions) or to, or for the account or benefit of, any U.S. Person. The term "U.S. Person" has the meaning ascribed to it in either Regulation S under the Securities Act ("**Regulation S**") or the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"). The Instruments are being offered and sold outside the United States to non-U.S. Persons pursuant to

the registration exemptions contained in Regulation S and Section 3(a)(2) of the Securities Act and may not be legally or beneficially owned at any time by any U.S. Person.

The Instruments will be governed by French law.

The Instruments will be issued in dematerialised form, as more fully described herein.

SEE “RISK FACTORS” FOR CERTAIN INFORMATION THAT SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS IN INSTRUMENTS.

The AFM has been requested to provide the competent authorities of the Grand Duchy of Luxembourg, the Kingdom of Belgium and the Republic of France for the purposes of the Prospectus Directive with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Directive.

Arranger and Dealer for the Programme

J.P. Morgan

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SUMMARY

This summary must be read as an introduction to this Base Prospectus and any decision to invest in the Instruments should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. When this summary relates to Notes, it relates to Instruments that can only be acquired on issue for a total consideration of less than EUR 50,000 per Instrument. Following implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to the Issuer or the Guarantor in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this Base Prospectus before the legal proceedings are initiated.

Information and risk factors in respect of JPMSP and JPMCB

J.P. Morgan Structured Products B.V. ("JPMSP")

History, Development and Organizational Structure of JPMSP

JPMSP was incorporated as a limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands in Amsterdam, The Netherlands on 6 November 2006 to exist for an unlimited duration. JPMSP was registered at the Chamber of Commerce of Amsterdam under registered number 34259454 and has its registered offices at Strawinskylaan 3105, Atrium 7th Floor, 1077 ZX Amsterdam, The Netherlands (telephone number +31 20 406 4444). JPMSP is an indirect, wholly-owned subsidiary of JPMorgan Chase Bank, N.A. which is in turn a wholly-owned subsidiary of JPMorgan Chase & Co. ("**JPMorgan Chase**"). JPMorgan Chase's common stock is listed on the New York Stock Exchange

Principal Activities

JPMSP's business principally consists of the issuance of securitised derivatives comprising notes, warrants and certificates, including equity-linked, reverse convertible and market participation notes and the subsequent hedging of those risk positions. All issuances which have been closed to date are subject to hedging arrangements. The proceeds of the sale of the securities are used for general corporate purposes, including the entry into hedging arrangements with other JPMorgan Chase entities.

Financial Information concerning JPMSP

The profit after tax of JPMSP for the year ended 31 December 2008 was U.S.\$9,183,000. As at 31 December 2008, the total shareholders' funds of JPMSP were U.S.\$523,485,000. JPMSP's total assets as at 31 December 2008 were U.S.\$17,701,353,000. JPMSP's total liabilities as at 31 December 2008 were U.S.\$17,177,868,000.

Risk Factors

Set forth below is a summary of certain risks and uncertainties that JPMSP believes could adversely affect JPMSP's results:

- JPMSP's ability to perform its obligations may be affected by any inability or failure of other JPMorgan Chase companies to perform obligations owed to JPMSP.

JPMorgan Chase Bank, N.A. ("JPMCB")

History, Development and Organizational Structure of JPMCB

JPMCB is one of the principal bank subsidiaries of JPMorgan Chase. JPMCB offers a wide range of banking services to its customers both in the United States and internationally. Under the J.P. Morgan

and Chase brands, JPMCB serves millions of customers in the United States and many of the world's most prominent corporate, institutional and government clients.

JPMCB was initially organized as a New York banking corporation on November 26, 1968, and converted into a national banking association on November 13, 2004. JPMCB is chartered and its business is subject to examination and regulation by the U.S. Office of the Comptroller of the Currency (the "OCC"), a bureau of the U.S. Department of the Treasury. JPMCB is a member of the U.S. Federal Reserve System and its deposits are insured by the U.S. Federal Deposit Insurance Corporation ("FDIC"). Its U.S. Federal Reserve Bank Identification Number is 852218.

The powers of JPMCB are set forth in the U.S. National Bank Act and include all such incidental powers as shall be necessary to carry on the business of banking; by discounting and negotiating promissory notes, drafts, bills of exchange, and other evidences of debt; by receiving deposits; by buying and selling exchange, coin, and bullion; by loaning money on personal security; and by obtaining, issuing, and circulating notes. While JPMorgan Chase controls JPMCB as its wholly-owned subsidiary, 12 U.S.C. 1817(j) of the U.S. Change of Bank Control Act prohibits the acquisition of control of JPMCB without the prior approval of the appropriate U.S. federal banking agency (which, in the case of JPMCB, is the OCC).

The registered office of JPMCB is located at 1111 Polaris Parkway, Columbus, Ohio 43240, U.S.A. JPMCB's principal place of business is located at 270 Park Avenue, New York, New York 10017-2070, U.S.A. and its telephone number is +1 212 270 6000. References in this Base Prospectus to "JPMCB" mean JPMorgan Chase Bank, N.A. and its consolidated subsidiaries; references to "JPMorgan Chase" mean JPMorgan Chase & Co. and its consolidated subsidiaries; and references to "the United States" or "U.S." mean the United States of America.

Additional information concerning the history, the development and the organizational structure of JPMCB is available in the JPMCB Registration Document, as supplemented.

Principal Activities

JPMCB's activities are organized and integrated with the businesses of JPMorgan Chase and its affiliates into business segments for each line of business, as well as a Corporate segment. The wholesale businesses are the Investment Bank, Commercial Banking, Treasury & Securities Services and Asset Management, and the consumer businesses are Retail Financial Services and Card Services. A description of these lines of business, and the products and services they provide to their respective client bases, follows.

Investment Bank

J.P. Morgan is one of the world's leading investment banks, with deep client relationships and broad product capabilities. The Investment Bank's clients are corporations, financial institutions, governments and institutional investors. JPMCB offers a full range of investment banking products and services in all major capital markets, including advising on corporate strategy and structure, capital raising in equity and debt markets, sophisticated risk management, market-making in cash securities and derivative instruments, prime brokerage and research. The Investment Bank also selectively commits JPMCB's own capital to principal investing and trading activities.

Retail Financial Services

Retail Financial Services, which includes the Retail Banking and Consumer Lending reporting segments, serves consumers and businesses through personal service at bank branches and through ATMs, online banking and telephone banking as well as through auto dealerships and school financial aid offices. Customers can use more than 5,400 bank branches and 14,500 ATMs in the United States as well as online and mobile banking around the clock. More than 21,400 branch salespeople assist customers with checking and savings accounts, mortgages, home equity and business loans, and investments across the 23-state footprint from New York and Florida to California. Consumers also can obtain loans through more than 16,000 auto dealerships and 4,800 schools and universities throughout the United States.

Card Services

Chase Card Services, which includes both Chase Bank USA, N.A. and JPMCB, is one of the largest credit card issuers in the United States. Chase has a market leadership position in building loyalty and rewards programs with many of the world's most respected brands and through its proprietary products, which include the Chase Freedom program. Through its merchant acquiring business, Chase Paymentech Solutions, Chase is one of the leading processors of MasterCard and Visa payments.

Commercial Banking

Commercial Banking serves more than 26,000 clients in the United States, including corporations, municipalities, financial institutions and not-for-profit entities with annual revenue generally ranging from \$10 million to \$2 billion, and nearly 30,000 real estate investors/owners. Delivering extensive industry knowledge, local expertise and dedicated service, Commercial Banking partners with JPMorgan Chase's other businesses to provide comprehensive solutions, including lending, treasury services, investment banking and asset management to meet its clients' U.S. domestic and international financial needs.

Treasury & Securities Services

Treasury & Securities Services is a global leader in transaction, investment and information services. Treasury & Securities Services is one of the world's largest cash management providers and a leading global custodian. Treasury Services provides cash management, trade, wholesale card and liquidity products and services to small and mid-sized companies, multinational corporations, financial institutions and government entities. Treasury Services partners with the Commercial Banking, Retail Financial Services and Asset Management businesses to serve clients firm-wide. As a result, certain Treasury Services revenue is included in other segments' results. Worldwide Securities Services holds, values, clears and services securities, cash and alternative investments for investors and broker-dealers, and manages depositary receipt programs globally.

Asset Management

Asset Management, with assets under supervision of \$1.5 trillion as of December 31, 2008, is a global leader in investment and wealth management. Asset Management clients include institutions, retail investors and high-net-worth individuals in every major market throughout the world. Asset Management offers global investment management in equities, fixed income, real estate, hedge funds, private equity and liquidity, including money market instruments and bank deposits. Asset Management also provides trust and estate, banking and brokerage services to high-net-worth clients, and retirement services for corporations and individuals. The majority of Asset Management's client assets are in actively managed portfolios.

Financial Information concerning JPMCB

JPMCB prepares annual and quarterly financial statements in accordance with U.S. generally accepted accounting principles. In addition, where applicable, the accounting and financial reporting policies of JPMCB conform to the accounting and reporting guidelines prescribed by U.S. bank regulatory authorities.

The audited financial statements of JPMCB for the years ended 31 December 2008 and 31 December 2007 are incorporated by reference into the JPMCB Registration Document. Such financial statements have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report appearing therein. The auditors have not resigned and were not removed during the period covered by such financial statements.

As of December 31, 2008, JPMCB had total assets of \$1.7 trillion, total net loans of \$645.1 billion, total deposits of \$1.0 trillion and total stockholders' equity of \$128.7 billion.

Additional information

Additional information concerning JPMCB, including the Annual Report on Form 10-K of JPMorgan Chase for the year ended 31 December 2008 (the “**2008 Form 10-K**”) as well as quarterly and current reports filed by JPMorgan Chase with the U.S. Securities and Exchange Commission (the “**SEC**”), as they become available, may be obtained from the SEC’s website (www.sec.gov) and from JPMorgan Chase’s website (www.jpmorganchase.com). The information contained in these documents is deemed by JPMCB to be material to an investor’s consideration of the business, financial condition and results of operations of JPMCB. No websites that are cited or referred to in this Base Prospectus shall be deemed to form part of, or to be incorporated by reference into, this Base Prospectus. Additional information concerning JPMCB is also available in the JPMCB Registration Document, as supplemented.

Risk Factors

Set forth below are summaries of the risks and uncertainties that JPMCB believes could adversely affect JPMCB’s results:

- JPMCB's results of operations could be adversely affected by U.S. and international markets and economic conditions.
- There is increasing competition in the financial services industry which may adversely affect JPMCB's results of operations.
- JPMCB's acquisitions and integration of acquired businesses may not result in all of the benefits anticipated.
- JPMCB relies on its systems, employees and certain counterparties, and certain failures could materially adversely affect JPMCB's operations.
- JPMCB's international operations are subject to risk of loss from unfavorable economic, political, legal and other developments.
- Damage to JPMCB's reputation could damage JPMCB's businesses.
- JPMCB operates within a highly regulated industry and its business and results are significantly affected by the regulations to which it is subject.
- JPMCB faces significant legal risks, both from regulatory investigations and proceedings and from private actions brought against JPMCB.
- JPMCB's ability to attract and retain qualified employees is critical to the success of its business and failure to do so may materially adversely affect its performance.
- JPMCB's businesses and earnings are affected by the fiscal and other policies that are adopted by various regulatory authorities of the United States, non-U.S. governments and international agencies.
- JPMCB's framework for managing its risks may not be effective in mitigating risk and loss to JPMCB.
- If JPMCB does not effectively manage its liquidity, its business could be negatively affected.
- JPMCB could be negatively affected in a situation in which other financial institutions are negatively impacted.
- Derivative and other transactions may expose JPMCB to unexpected risk and potential losses.

- JPMCB's commodities activities are subject to extensive regulation, potential catastrophic events and environmental risks and regulation that may expose it to significant cost and liability.
- JPMCB's financial statements are based in part on assumptions and estimates which, if wrong, could cause unexpected losses in the future.
- JPMCB is affected by risks affecting its parent company.
- JPMorgan Chase may fail to realize any benefits from the merger with Bear Stearns and the acquisition of Washington Mutual's banking operations and may incur unanticipated losses related to such merger and acquisition.
- Current market developments may adversely affect JPMCB's business and results of operations.
- The soundness of other financial institutions could adversely affect JPMCB.
- JPMCB incurs credit risk when it loans money, commits to loan money or enters into a letter of credit or other contract with a counterparty.
- The fiscal and monetary policies of the U.S. federal government and its agencies could have a material adverse effect on JPMCB's earnings.
- The impact on JPMCB of recently enacted legislation cannot be predicted at this time.

Information with respect to the Notes

Issuer	J.P. Morgan Structured Products B.V.
Guarantor	JPMorgan Chase Bank, N.A.
Guarantee	Under the Guarantee, the Guarantor irrevocably and unconditionally guarantees the due and punctual settlement of all obligations of JPMSP under the Notes issued by JPMSP under the Programme. The Guarantee (i) is an unsecured and unsubordinated general obligation of the Guarantor; (ii) is not a savings account or deposit of the Guarantor or any bank or non-bank subsidiary of the Guarantor; and (iii) is not insured by the U.S. Federal Deposit Insurance Corporation (the " FDIC "), the U.S. Deposit Insurance Fund or any other governmental agency or instrumentality. Unless otherwise specified in the applicable Final Terms, the Guarantee is <u>not</u> guaranteed under the FDIC's Temporary Liquidity Guarantee Program. The terms of the Guarantee are reproduced on page 190 of the Base Prospectus.
Description	French law Programme for the issuance of Notes, Warrants and Certificates
Size	Up to USD 1,000,000,000 (or currency equivalent)
Arranger	J.P. Morgan Securities Ltd.

Dealer	J.P. Morgan Securities Ltd. or as otherwise specified in the Final Terms
Fiscal Agent	BNP Paribas Securities Services and/or as otherwise specified in the Final Terms
Paying Agents	BNP Paribas Securities Services, as " French Paying Agent ", BNP Paribas Securities Services C/o BNP Paribas, Amsterdam Branch, as " Dutch Paying Agent " and/or as specified in the Final Terms
Dutch Listing Agent	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabo Securities), or as otherwise specified in the Final Terms
Luxembourg Listing Agent	The Bank of New York (Luxembourg) S.A., or as otherwise specified in the Final Terms
Calculation Agent	J.P. Morgan Securities Ltd., unless otherwise specified in the Final Terms
Delivery Agent	J.P. Morgan Securities Ltd. or as otherwise specified in the Final Terms
Method of Issue	The Notes will be issued in series (each a " Series "). Each Series may be issued in tranches (each a " Tranche ") on terms set out in the final terms relating to such Tranche (the " Final Terms ")
Issue Price	<p>Notes may be issued at their nominal amount or at a discount or premium</p> <p>The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions</p>
Form of Notes	<p>The Notes are issued, at the option of the Issuer, either (a) in bearer dematerialised form (<i>au porteur</i>), and will be inscribed as from the issue date in the books of Euroclear France ("Euroclear France") (acting as central depository) which shall credit the accounts of Account Holders, including Euroclear Bank S.A./N.V. ("Euroclear") and the depository bank for Clearstream Banking, société anonyme ("Clearstream, Luxembourg") or (b) in registered dematerialised form (<i>au nominatif</i>) and, in such latter case, at the option of the relevant Holder, in either fully registered form (<i>au nominatif pur</i>), in which case they will be inscribed either with the Issuer or with the registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "Registration Agent"), or in administered form (<i>au nominatif administré</i>) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Holders</p>

Central Depositary	Euroclear France
Clearing Systems	Euroclear France. This should not prevent, after the initial issuance of the Notes through Euroclear France, the Notes to be also admitted with local depositaries (Euroclear and Clearstream, Luxembourg)
Currencies	Notes may be denominated in any currency or currencies agreed between the Issuer and the Dealer(s) and as set out in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory restrictions. Payments in respect of Notes may, subject to compliance as aforesaid, be made in and/or linked to, any currency or currencies in addition to or other than the currency in which such Notes are denominated, as set out in the relevant Final Terms
Maturities	One day to 30 years
Denomination	Such denominations as specified in the Final Terms, provided that any Notes which have a maturity of less than one year in respect of which the issue proceeds are to be accepted by JPMSP in the United Kingdom must have a minimum denomination of £100,000 (or its equivalent in other currencies)
Interest	The Final Terms shall specify whether the Notes are non-interest bearing or bear interest at fixed rates, floating rates, variable rates, rates linked to the performance of a Reference Asset(s)
Redemption	The Final Terms shall specify the date of redemption of Notes and the amount payable or asset(s) deliverable on redemption, which may be linked to the performance of a Reference Asset(s)
Early Redemption	<p>Notes linked to one or more shares or indices will be subject to early redemption at the option of the Issuer in certain circumstances following a merger event, tender offer or other extraordinary event, subject as specified in the relevant Final Terms</p> <p>Notes may be redeemed early upon certain Additional Termination Events as set out in General Note Condition 4(n) if so specified in the relevant Final Terms, and upon certain Termination Events as set out in General Note Condition 4(o). Notes will be redeemable at the option of the Issuer prior to maturity for tax reasons and, if so specified in the relevant Final Terms, in other circumstances as so specified</p> <p>Index Linked Notes may also be subject to early redemption pursuant to the Alternative Index provisions in General Note Condition 4(i)(iii)(C)</p>
Fixed Rate Notes	Fixed rate interest will be payable on such day(s) as specified in the relevant Final Terms and on

redemption

Interest will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) and specified in the relevant Final Terms or will be such Fixed Coupon Amount as specified in the relevant Final Terms

Floating Rate Notes

Floating Rate Notes will bear interest calculated:

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement in the form of an agreement incorporating (as set forth in the relevant Final Terms) the 2000 ISDA Definitions or the 2006 ISDA Definition in each case (as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series);
- (b) on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service; or
- (c) on such other basis as may be set out in the relevant Final Terms.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both

Interest on Floating Rate Notes will be payable, and will be calculated as specified prior to issue in the relevant Final Terms

Interest will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) and as specified in the relevant Final Terms

Dual Currency Notes

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies and based upon such rates of exchange as are agreed between the Issuer and the relevant Dealer(s) set out in the relevant Final Terms

Notes Linked to one or more Reference Assets

Payments (whether in respect of principal or interest and whether at maturity or otherwise) may be calculated by reference to

- one or more Indices and/or a formula as set out in the relevant Final Terms (“**Index Linked Notes**”);
- a Share and/or Share Basket and/or a formula as set out in the relevant Final

Terms (“**Equity Linked Notes**”);

- one or more published consumer price Indices and/or a formula as set out in the relevant Final Terms (“**Inflation Linked Notes**”);
- one or more commodities and/or a formula as set out in the relevant Final Terms (“**Commodity Linked Notes**”);
- one or more foreign exchange rates and/or formula as set out in the relevant Final Terms (“**Foreign Exchange Linked Notes**”);
- one or more funds and/or a formula as set out in the relevant Final Terms (“**Fund Linked Notes**”);
- one or more assets and/or a formula as set out in the Relevant Final Terms (“**Other Variable Linked Notes**”)
- any combination of Reference Assets and/or a formula as set out in the relevant Final Terms (“**Combination Notes**” or “**Hybrid Notes**”)

Physical Delivery Notes

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

Zero Coupon Notes

Payments of interest in respect of Zero Coupon Notes shall be payable where any principal is overdue. The rate of interest shall be equal to the Amortisation Yield

Partly Paid Notes

Payments in respect of Partly Paid Notes will be made in accordance with the relevant Final Terms. Interest will accrue on the paid-up nominal amount of such Notes

Other Notes

Payments (whether in respect of principal and/or interest and whether at maturity or otherwise) in respect of all other Notes issued under the Programme will be made in accordance with the relevant Final Terms

Market Disruption Events

In respect of Equity Linked Notes, Index Linked Notes, Commodity Linked Notes and certain other types of Notes, if the Calculation Agent determines that a Market Disruption Event has occurred or exists on an Initial Valuation Date, Valuation Date, Interest Valuation Date, Initial Averaging Date, Averaging Date, Observation Date or other relevant date, such date may be

postponed and, in such circumstance, alternative provisions in respect of the relevant Reference Asset may apply

Adjustments to Equity Linked Notes for Potential Adjustment Events and Extraordinary Events

In respect of Equity Linked Notes, the occurrence of a Potential Adjustment Event or certain Extraordinary Events (including a Merger Event, Tender Offer, Nationalisation, Insolvency or Delisting), may (if "Calculation Agent Adjustment" is specified to be applicable in the relevant Final Terms) result in the Calculation Agent making (in good faith and in a commercially reasonable manner) adjustments to the terms of the Notes and calculations as described in the Conditions and could lead to the Notes being redeemed early

Adjustments to Index Linked Notes for certain events

In respect of Index Linked Notes, the occurrence of certain events in relation to an underlying Index (such as, for example, the replacement of the Index Sponsor, modification, cancellation or disruptions to the Index and subsequent correction of relevant Index Levels) may lead to the Calculation Agent making (in good faith and in a commercially reasonable manner) changes in the terms of the Notes and/or adjustments to relevant Index Levels

Settlement Disruption Events

In the case of Physical Delivery Notes, if a Settlement Disruption Event (essentially, an event beyond the control of the Issuer or other Hedging Entity as a result of which, in the reasonable opinion of the Calculation Agent, delivery of the Reference Asset Amount by or on behalf of the Issuer, in accordance with the General Note Conditions is not practicable, or as a result of which the relevant Clearing System cannot clear the transfer of the relevant Reference Assets) occurs or exists on the Settlement Date, settlement may be postponed until the next day on which Settlement may occur and on which no Settlement Disruption Event occurs. The Issuer in these circumstances may also have the right to pay the Disruption Cash Settlement Price in lieu of delivering the Reference Asset

Payment Disruption Events

If "Payment Disruption Event" is stated to be applicable in the relevant Final Terms, and the Calculation Agent determines that a Payment Disruption Event has occurred (essentially, the occurrence of an event beyond the control of the Hedging Entity (being the Issuer or an affiliate acting on its behalf) as a result of which the Hedging Entity is not able or would not be able to sell or otherwise realise or receive the proceeds from the sale or other disposal of all or any part of the Reference Assets or other financial products held by the Hedging Entity, to hedge the Issuer's obligations in respect of the Notes) prior to or on any date on which payments in respect of such Notes shall fall due, then the Maturity Date or any

	relevant payment date (as applicable) may be postponed and potentially the Issuer's payment obligations under the Notes may be reduced
Other Adjustments	Adjustments other than those described above may be made to Notes issued under the Programme as set forth in the General Note Conditions, and as may be set forth in the relevant Final Terms (for example, "Lock-in Events" in relation to Fund Linked Notes and inconvertibility events in relation to Foreign Exchange Linked Notes)
Status	Notes will constitute unsubordinated and unsecured obligations of the Issuer
Negative Pledge/Cross Default	The Notes will not contain a negative pledge or a cross default provision
Rating	Notes may be rated or unrated. A security rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, change or withdrawal at any time by the assigning rating agency
Withholding Tax	Subject to customary exceptions, as set forth in the terms and conditions, the Issuer or, as the case may be, the Guarantor, will pay additional amounts should withholding taxes become payable on payments of principal or interest to a United States Alien (in the case of United States-related taxes) or a person who is not a Dutch Tax Resident (in the case of Dutch taxes)
Governing Law	The Notes are governed by French law. The Guarantee is governed by New York law
Listing and admission to trading	Notes may be admitted for trading on Euronext Amsterdam by NYSE Euronext or by any other listing authority, stock exchange or quotation system. A Series or Tranche of Notes may be unlisted
No ownership by U.S. Persons (as defined in this Base Prospectus)	Notes may not be legally or beneficially owned by U.S. Persons at any time. Each holder and each beneficial owner of a Note as a condition to purchasing such Note or any beneficial interest therein, will be deemed to represent on purchase that neither it nor any person for whose account or benefit the Notes are being purchased is (i) located in the United States, (ii) is a U.S. Person or (iii) was solicited to purchase the Notes while present in the United States and that it is acquiring the Notes in an offshore transaction in compliance with Regulation S. Each holder and each beneficial owner of a Note will be deemed on purchase to agree not to offer, sell, deliver, pledge or otherwise transfer any Notes at any time, assign, directly or indirectly in the United States or to any U.S. Person

Selling Restrictions	Restrictions apply to offers, sales or transfers of the Notes in various jurisdictions. In all jurisdictions offers, sales or transfers may only be effected to the extent lawful in the relevant jurisdiction
Information with respect to the Securities	
Issuer	J.P. Morgan Structured Products B.V.
Guarantor	JPMorgan Chase Bank, N.A.
Guarantee	Under the Guarantee, the Guarantor irrevocably and unconditionally guarantees the due and punctual settlement of all obligations of JPMSP under the Securities issued by JPMSP under the Programme. The Guarantee (i) is an unsecured and unsubordinated general obligation of the Guarantor; (ii) is not a savings account or deposit of the Guarantor or any bank or non-bank subsidiary of the Guarantor; and (iii) is not insured by the U.S. Federal Deposit Insurance Corporation (the " FDIC "), the U.S. Deposit Insurance Fund or any other governmental agency or instrumentality. Unless otherwise specified in the applicable Final Terms, the Guarantee is <u>not</u> guaranteed under the FDIC's Temporary Liquidity Guarantee Program. The terms of the Guarantee are reproduced on page 190 of the Base Prospectus.
Description	French law Programme for the issue of Notes, Warrants and Certificates
Arranger	J.P. Morgan Securities Ltd.
Dealer	J.P. Morgan Securities Ltd. or as specified in the Final Terms
Principal Agent	BNP Paribas Securities Services
Paying Agents	BNP Paribas Securities Services, as " French Paying Agent " and Fiscal Agent, BNP Paribas Securities Services C/o BNP Paribas, Amsterdam Branch, as " Dutch Paying Agent ", and/or as specified in the Final Terms
Dutch Listing Agent	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabo Securities), or as otherwise specified in the Final Terms
Luxembourg Listing Agent	The Bank of New York (Luxembourg) S.A., or as otherwise specified in the Final Terms
Calculation Agent	J.P. Morgan Securities Ltd., or as otherwise specified in the Final Terms
Method of Issue	The Securities will be issued in series (each a " Series "). Each Series may be issued in tranches (each a " Tranche ") on the same or different issue dates and on terms set out in the final terms

	relating to such Tranche (the " Final Terms ")
Issue Price	As specified in the Final Terms The price and amount of Securities to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions
Form of Securities	The Securities are issued in bearer dematerialised form (<i>au porteur</i>) inscribed as from the issue date in the books of Euroclear France (" Euroclear France ") (acting as central depository) which shall credit the accounts of Account Holders (as defined in General Security Condition 12) including Euroclear Bank S.A./N.V (" Euroclear ") and the depository bank for Clearstream Banking, société anonyme (" Clearstream, Luxembourg ")
Central Depository	Euroclear France
Clearing Systems	Euroclear France. This should not prevent, after the initial issuance of the Securities through Euroclear France, the Securities to be also admitted with local depositories (Euroclear and Clearstream, Luxembourg)
Currencies	As specified in the Final Terms
Maturities of Certificates	As specified in the Final Terms
Contingent Coupon	The Final Terms shall specify whether the Certificates will pay a contingent coupon and, if so, whether such contingent coupon will be linked to the performance of any Reference Asset(s)
Exercise of Warrants	The Warrants create options exercisable by the relevant Holder. There is no obligation upon any Holder to exercise his/her Warrant(s) nor, in the absence of such exercise, any obligation on the Issuer or the Guarantor to pay any amount in respect of the Warrants Warrants may be subject to a maximum number of Warrants exercisable on any date and to a minimum number of Warrants exercisable at any other time
Settlement	As specified in the Final Terms
Status	Securities will constitute unsubordinated and unsecured obligations of the Issuer
Events of Default and Negative Pledge	None
Early Redemption / Termination	The Securities may be redeemed early upon certain Termination Events as set out in General Security Condition 14(a) and Additional Termination Events as set out in General Security Condition 14(b) and any other early redemption

event as may be set forth in the relevant Final Terms. The payment amount in respect of each Security shall be an amount determined by the Calculation Agent as representing the fair market value of such Securities immediately prior (and ignoring the circumstances leading) to such early redemption, adjusted to account fully for any reasonable expenses and costs of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation any investment in any share or investment of any type whatsoever hedging the Issuer's obligations under the Securities)

Securities Linked to one or more Reference Assets

The settlement amount, the redemption amount, contingent coupon amount and/or early redemption amount may be calculated by reference to

- one or more Indices and/or a formula as set out in the relevant Final Terms (“**Index Linked Securities**”)
- a Share and/or Share Basket and/or a formula as set out in the relevant Final Terms (“**Equity Linked Securities**”)
- one or more published consumer price Indices and/or formula as set out in the relevant Final Terms (“**Inflation Linked Securities**”)
- one or more commodities and/or formula as set out in the relevant Final Terms (“**Commodity Linked Securities**”)
- one or more foreign exchange rates and/or formula as set out in the relevant Final Terms (“**Foreign Exchange Linked Securities**”)
- one or more funds and/or a formula as set out in the relevant Final Terms (“**Fund Linked Securities**”)
- one or more other assets and/or a formula as set out in the relevant Final Terms (“**Other Variable Linked Securities**”)
- any combination of Reference Assets and/or a formula as set out in the relevant Final Terms (“**Combination Securities**” or “**Hybrid Securities**”)

Physically Settled Securities

The settlement amount, redemption amount and/or early redemption amount in respect of Securities to which Physical Settlement applies and any delivery of any Relevant Asset(s) in respect of Securities to which Physical Settlement applies will be made in accordance with the terms of the relevant Final Terms

Market Disruption Events

In respect of Equity Linked Securities, Index Linked Securities, Commodity Linked Securities and certain other types of Securities, if the Calculation Agent reasonably determines that a Market Disruption Event has occurred or exists on an Initial Valuation Date, Valuation Date, Initial Averaging Date, Averaging Date, Observation Date or other relevant date, such date may be postponed and, in such circumstance, alternative provisions in respect of the relevant Reference Asset may apply

Adjustments to Equity Linked Securities for Potential Adjustment Events and Extraordinary Events

In respect of Equity Linked Securities, the occurrence of a Potential Adjustment Event or certain Extraordinary Events (including a Merger Event, Tender Offer, Index Adjustment Event, Nationalisation, Insolvency or Delisting), may (depending on the applicable consequences as set forth in the relevant Final Terms) result in the Calculation Agent making (in good faith and in a commercially reasonable manner) adjustments to the terms of the Securities and calculations as described in the General Security Conditions and could lead to the Securities being redeemed early

Adjustments to Index Linked Securities for certain events

In respect of Index Linked Securities, the occurrence of certain events in relation to an underlying Index (such as, for example, the replacement of the Index Sponsor, modification cancellations or disruptions to the Index and subsequent correction of relevant Index Levels) may lead to the Calculation Agent making (in good faith and in a commercially reasonable manner) changes in the terms of the Securities and/or adjustments to relevant Index Levels

Settlement Disruption Events

In the case of Physically Settled Securities, if a Settlement Disruption Event (essentially, an event beyond the control of the Issuer or other Hedging Entity as a result of which, in the reasonable opinion of the Calculation Agent, delivery of the Reference Asset Amount by or on behalf of the Issuer, in accordance with the General Security Conditions is not practicable, or as a result of which the relevant Clearing System cannot clear the transfer of the relevant Reference Assets) occurs or exists on the Settlement Date, settlement may be postponed until the next day on which Settlement may occur and on which no Settlement Disruption Event occurs. The Issuer in these circumstances may also have the right to pay the Disruption Cash Settlement Price in lieu of

delivering the Reference Asset

Payment Disruption Events

If "Payment Disruption Event" is stated to be applicable in the relevant Final Terms, and the Calculation Agent determines that a Payment Disruption Event has occurred (essentially, the occurrence of an event beyond the control of the Hedging Entity (being the Issuer or an affiliate acting on its behalf) as a result of which the Hedging Entity is not able or would not be able to sell or otherwise realise or receive the proceeds from the sale or other disposal of all or any part of the Reference Assets or other financial products held by the Hedging Entity, to hedge the Issuer's obligations in respect of the Securities) prior to or on any date on which payments in respect of such Securities shall fall due, then the Redemption Date or any relevant payment date (as applicable) may be postponed and potentially the Issuer's payment obligations under the Securities may be reduced

Other Adjustments

Other adjustments than those described above may be made to Securities issued under the Programme as set forth in the General Security Conditions, and as may be set forth in the relevant Final Terms (for example, "Lock-in Events" in relation to Fund Linked Securities and inconvertibility events in relation to Foreign Exchange Linked Securities)

Taxation

Subject to customary exceptions, as set forth in the terms and conditions, the Issuer or Guarantor, as the case may be, will pay additional amounts should withholding taxes become payable on payments to a United States Alien (in the case of United States-related taxes) or a person who is not a Dutch Tax Resident (in the case of Dutch taxes).

Holders will be liable for any taxes due and payable in connection with the transfer of any Reference Asset.

Governing Law

The Securities are governed by French law. The Guarantee is governed by New York law

Listing and admission to trading

Securities may be admitted for trading on Euronext Amsterdam by NYSE Euronext or by any other listing authority, stock exchange or quotation system. A Series or Tranche of Securities may be unlisted

No ownership by U.S. Persons (as defined in this Base Prospectus)

Securities may not be legally or beneficially owned by U.S. Persons at any time. Each holder and each beneficial owner of a Security as a condition to purchasing such Security or any beneficial interest therein, will be deemed to represent on purchase that neither it nor any

person for whose account or benefit the Securities are being purchased is (i) located in the United States, (ii) is a U.S. Person or (iii) was solicited to purchase the Securities while present in the United States and that it is acquiring the Securities in an offshore transaction in compliance with Regulation S. Each holder and each beneficial owner of a Security will be deemed on purchase to agree not to offer, sell, deliver, pledge or otherwise transfer any Securities at any time, assign, directly or indirectly in the United States or to any U.S. Person and with respect to the Warrants, not to engage in hedging transaction with regard to the Warrants unless in compliance with the Securities Act.

Selling Restrictions

Restrictions apply to offers, sales or transfers of the Securities in various jurisdictions. See "Subscription and Sale". In all jurisdictions offers, sales or transfers may only be effected to the extent lawful in the relevant jurisdiction

Summary of Certain Risk factors

The following is only a summary of certain risk factors and any decision to invest in the Instruments should be based on a consideration of this Base Prospectus as a whole including the risk factors set out on p.22 to 45 or contained in the JPMSP Registration Document and in the JPMCB Registration Document, as supplemented. JPMSP may issue Instruments with principal, notional amount and/or interest determined by reference to the credit of one or more entities not affiliated with JPMSP to currency prices, commodity prices or to single securities, baskets of securities or indices or other assets or instruments. Any such Instruments may entail significant risks not associated with a similar investment in fixed or floating rate debt securities, including a return that may be significantly less than the return available on an investment in fixed or floating rate debt securities. **IN SOME CASES, SUCH INSTRUMENTS MAY NOT BE FULLY PRINCIPAL PROTECTED DEPENDING ON THE PERFORMANCE OF THE REFERENCE ASSETS, THE INSTRUMENTS MAY REDEEM FOR LESS THAN THE ORIGINAL INVESTED AMOUNT AND COULD EXPIRE WORTHLESS.**

Summary of risks relating to the Instruments generally:

- the Instruments may not be a suitable investment for all investors
- the market value of the Instruments may be volatile, and may be adversely affected by a number of factors, and the price at which a Holder will be able to sell Instruments prior to maturity may be at a substantial discount to the market value of such Instruments on or prior to the Issue Date
- an active trading market for the Instruments may not develop
- the Issue Price of the Instruments may be more than the market value of such Instruments as at (or prior to) the Issue Date, and the price of the Instruments in secondary market transactions
- the Instruments may be redeemed prior to maturity or their scheduled redemption according to their terms (as set forth in the relevant Final Terms) and may be redeemed early if the Issuer's performance under such Instruments has become unlawful or impractical in whole or in part for any reason or for taxation reasons

- JPMorgan Chase and its subsidiaries (the “**JPMorgan Group**”) are subject to various potential conflicts of interest in respect of the Instruments, including in relation to its hedging and market-making activities, which could have an adverse effect on the Instruments
- the Calculation Agent (which will likely be a member of the JPMorgan Group) has very broad discretionary authority to make various determinations and adjustments under the Instruments, any of which may have an adverse effect on the value and/or the amounts payable under the Instruments
- the Instruments are unsecured obligations and the payment of any amounts under the Instruments is subject to the credit risk of the Issuer and the Guarantor
- any consequential postponement of or any alternative provisions for valuation following a Market Disruption Event may have an adverse effect on the value of the Instruments.
- the occurrence of a Payment Disruption Event or Settlement Disruption Event (in either case, if applicable) may lead to a delayed payment or delivery (as applicable) and/or reduced payment or delivery (as applicable)
- there will be a time lag between the time a Holder gives instructions to exercise (if applicable) and the time the applicable Cash Settlement Amount or the deliverable Reference Asset relating to such exercise is determined, and such time lag could decrease the Cash Settlement or the value of the deliverable Reference Asset, as the case may be
- the Instruments are not standardised stock index options of the type traded on various options exchanges
- the exposure (if any) to the upside value of a relevant Reference Asset or Reference Entity may be capped
- it may not be possible to use the Instruments as a perfect hedge against the market risk associated with investing in a Reference Asset
- there may be regulatory consequences to the holder of holding Instruments linked to a Reference Asset or Reference Entity
- the actual yield received by a purchaser of the Instruments may be reduced from the stated yield by transaction costs
- and may be diminished by the tax impact on that holder of its investment in the Instruments

The Guarantee is not a deposit insured or guaranteed by any government authority.

Additional Risks relating to Instruments with interest and/or principal linked to one or more specified types of Reference Assets and/or Reference Entities

There are certain additional risks relating to Equity Linked Instruments, Equity Linked Instruments linked to a Share Basket and Index Linked Instruments linked to an Index Basket, Credit Linked Instruments, Commodity Linked Instruments, Inflation Linked Instruments, Fixed Rate Instruments, Floating Rate Instruments and/or Instruments linked to a floating rate, Zero Coupon Instruments, Foreign Exchange Rate Linked Instruments and Fund Linked Instruments as well as certain specific products which may be issued under the Programme, as specified below.

RISK FACTORS

The purchase of Instruments may involve substantial risks. Prior to making an investment decision, prospective investors should consider carefully, in light of their own financial circumstances and investment objectives, among other things (i) all the information set forth in this Base Prospectus including the information incorporated by reference into this Base Prospectus and, in particular, the risk factors set forth below and (ii) all the information set forth in the relevant Final Terms. Prospective purchasers should make such inquiries as they deem necessary without relying on the Arranger or any Dealer.

Risks relating to the Issuer and the Guarantor

Risks relating to JPMSP

Prospective investors should consider, among other things, the following risks relating to JPMSP.

JPMSP is a non banking subsidiary of J.P. Morgan International Finance Limited, which is a subsidiary of JPMCB, which is in turn a subsidiary of JPMorgan Chase. The primary activity of JPMSP is the issuance to third parties of securitised derivatives, comprising notes, warrants and certificated including equity linked, reverse convertible and market participation notes, with the proceeds of securities being used to enter into hedging arrangements with other JPMorgan Chase companies. JPMSP's liability to perform its obligations may therefore be affected by any inability or failure to perform obligations owed to JPMSP by other JPMorgan Chase companies or third parties.

Risks relating to JPMorgan Chase Bank

JPMorgan Chase Bank's results of operations have been, and may continue to be, adversely affected by U.S. and international financial market and economic conditions.

JPMorgan Chase Bank's businesses have been, and in the future will continue to be, materially affected by economic and market conditions, including factors such as the liquidity of the global financial markets; the level and volatility of debt and equity prices, interest rates and currency and commodities prices; investor sentiment; corporate or other scandals that reduce confidence in the financial markets; inflation; the availability and cost of capital and credit; the occurrence of natural disasters, acts of war or terrorism; and the degree to which U.S. or international economies are expanding or experiencing recessionary pressures. These factors can affect, among other things, the activity level of clients with respect to the size, number and timing of transactions involving JPMorgan Chase Bank's investment and commercial banking businesses, including JPMorgan Chase Bank's underwriting and advisory businesses; the realization of cash returns from JPMorgan Chase Bank's principal investments businesses; the volume of transactions that JPMorgan Chase Bank executes for its customers and, therefore, the revenue JPMorgan Chase Bank receives from commissions and spreads; the number or size of underwritings that JPMorgan Chase Bank manages on behalf of clients; and the willingness of financial sponsors or other investors to participate in loan syndications or underwritings managed by JPMorgan Chase Bank.

JPMorgan Chase Bank generally maintains large trading portfolios in the fixed income, currency, commodity and equity markets and may have from time to time significant investment positions, including positions in securities in markets that lack pricing transparency or liquidity. The revenue derived from mark-to-market values of JPMorgan Chase Bank's businesses are affected by many factors, including JPMorgan Chase Bank's credit standing; its success in proprietary positioning; volatility in interest rates and equity, debt and commodities markets; credit spreads and availability of liquidity in the capital markets; and other economic and business factors. JPMorgan Chase Bank anticipates that revenue relating to its trading and principal investment businesses will continue to experience volatility and there can be no assurance that such volatility relating to the above factors or other conditions that may affect pricing or JPMorgan Chase Bank's ability to realize returns from such investments could not materially adversely affect JPMorgan Chase Bank's earnings.

The fees that JPMorgan Chase Bank earns for managing third-party assets are also dependent upon general economic conditions. For example, a higher level of U.S. or non-U.S. interest rates or a

downturn in trading markets could affect the valuations of the third-party assets that JPMorgan Chase Bank manages or holds in custody, which, in turn, could affect JPMorgan Chase Bank's revenue. Moreover, even in the absence of a market downturn, below-market or sub-par performance by JPMorgan Chase Bank's investment management businesses could result in outflows of assets under management and supervision and, therefore, reduce the fees that JPMorgan Chase Bank receives.

JPMorgan Chase Bank's consumer businesses are particularly affected by domestic economic conditions. Such conditions include U.S. interest rates; the rate of unemployment; housing prices; the level of consumer confidence; changes in consumer spending; and the number of personal bankruptcies, among others. The deterioration of these conditions can diminish demand for the products and services of JPMorgan Chase Bank's consumer businesses, or increase the cost to provide such products and services. In addition, adverse economic conditions, such as declines in home prices, could lead to an increase in mortgage and other loan delinquencies and higher net charge-offs, which can adversely affect JPMorgan Chase Bank's earnings.

During 2008, U.S. and global financial markets were extremely volatile and were materially and adversely affected by a significant lack of liquidity, loss of confidence in the financial sector, disruptions in the credit markets, reduced business activity, rising unemployment, declining home prices, and erosion of consumer confidence. These factors contributed to adversely affecting JPMorgan Chase Bank's business, financial condition and results of operations in 2008 and there is no assurance when such conditions will ameliorate.

If JPMorgan Chase Bank does not effectively manage its liquidity, its business could be negatively affected.

JPMorgan Chase Bank's liquidity is critical to its ability to operate its businesses, grow and be profitable. Some potential conditions that could negatively affect JPMorgan Chase Bank's liquidity include illiquid or volatile markets, diminished access to capital markets, unforeseen cash or capital requirements (including, among others, commitments that may be triggered to special purpose entities ("SPEs") or other entities), difficulty or inability to sell assets, unforeseen outflows of cash or collateral, and lack of market or customer confidence in JPMorgan Chase Bank or its prospects. These conditions may be caused by events over which JPMorgan Chase Bank has little or no control. The liquidity crisis experienced in 2008 increased JPMorgan Chase Bank's cost of funding and limited its access to some of its traditional sources of liquidity such as securitized debt offerings backed by mortgages, loans, credit card receivables and other assets. If current market conditions continue, JPMorgan Chase Bank's liquidity could be adversely affected.

The credit ratings of JPMorgan Chase Bank & Co., JPMorgan Chase Bank Bank, N.A. and Chase Bank USA, N.A. are important in order to maintain JPMorgan Chase Bank's liquidity. A reduction in their credit ratings could have an adverse effect on JPMorgan Chase Bank's access to liquidity sources, increase JPMorgan Chase Bank's cost of funds, trigger additional collateral or funding requirements, and decrease the number of investors and counterparties willing to lend to JPMorgan Chase Bank, thereby curtailing its business operations and reducing its profitability. Reduction in the ratings of certain SPEs or other entities to which JPMorgan Chase Bank has a funding or other commitment could also negatively affect its liquidity where such ratings changes lead, directly or indirectly, to JPMorgan Chase Bank being required to purchase assets or otherwise provide funding. Critical factors in maintaining high credit ratings include a stable and diverse earnings stream, strong capital ratios, strong credit quality and risk management controls, diverse funding sources, and disciplined liquidity monitoring procedures.

JPMorgan Chase Bank's cost of obtaining long-term unsecured funding is directly related to its credit spreads (the amount in excess of the interest rate of U.S. Treasury securities (or other benchmark securities) of the same maturity that JPMorgan Chase Bank needs to pay to its debt investors). Increases in JPMorgan Chase Bank's credit spreads can significantly increase the cost of this funding. Changes in credit spreads are continuous and market-driven, and influenced by market perceptions of JPMorgan Chase Bank's creditworthiness. As such, JPMorgan Chase Bank's credit spreads may be unpredictable and highly volatile.

As a holding company, JPMorgan Chase Bank relies on the earnings of its subsidiaries for its cash flow and consequent ability to pay dividends and satisfy its obligations. These payments by subsidiaries may

take the form of dividends, loans or other payments. Several of JPMorgan Chase Bank's principal subsidiaries are subject to capital adequacy requirements or other regulatory or contractual restrictions on their ability to provide such payments. Limitations in the payments that JPMorgan Chase Bank receives from its subsidiaries could negatively affect its liquidity position.

The soundness of JPMorgan Chase Bank's customers, clients and counterparties, including other financial institutions, could adversely affect JPMorgan Chase Bank.

A number of JPMorgan Chase Bank's products expose it to credit risk, including loans, leases and lending commitments, derivatives, trading account assets and assets held-for-sale. As one of the nation's largest lenders, JPMorgan Chase Bank has exposures to many different products and counterparties, and the credit quality of its exposures can have a significant impact on its earnings. JPMorgan Chase Bank estimates and establishes reserves for credit risks and potential credit losses inherent in JPMorgan Chase Bank's credit exposure (including unfunded lending commitments). This process, which is critical to JPMorgan Chase Bank's financial results and condition, requires difficult, subjective and complex judgments, including forecasts of how these economic conditions might impair the ability of JPMorgan Chase Bank's borrowers to repay their loans. As is the case with any such assessments, there is always the chance that JPMorgan Chase Bank will fail to identify the proper factors or that JPMorgan Chase Bank will fail to accurately estimate the impact of factors that it identifies. Any such failure could result in increases in delinquencies and default rates.

Financial services institutions are interrelated as a result of trading, clearing, counterparty, or other relationships. JPMorgan Chase Bank routinely executes transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients. Many of these transactions expose JPMorgan Chase Bank to credit risk in the event of default by the counterparty or client, which can be exacerbated during periods of market illiquidity, such as those experienced in 2008. During such periods, JPMorgan Chase Bank's credit risk also may be further increased when the collateral held by it cannot be realized upon or is liquidated at prices that are not sufficient to recover the full amount of the loan or derivative exposure due to JPMorgan Chase Bank. In addition, disputes with counterparties as to the valuation of collateral significantly increases in times of market stress and illiquidity. There is no assurance that any such losses would not materially and adversely affect JPMorgan Chase Bank's results of operations or earnings.

An example of the risks associated with JPMorgan Chase Bank's relationships with other financial institutions is the collapse of Lehman Brothers Holdings Inc. ("LBHI"). On September 15, 2008, LBHI filed a voluntary petition for relief under Chapter 11 of Title 11 of the U.S. Code (the "Bankruptcy Code") in the U.S. Bankruptcy Court for the Southern District of New York, and thereafter several of its subsidiaries also filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the court (LBHI and such subsidiaries collectively, "Lehman"). On September 19, 2008, a liquidation case under the U.S. Securities Investor Protection Act ("SIPA") was commenced in the United States District Court for the Southern District of New York for Lehman Brothers Inc. ("LBI"), LBHI's U.S. broker-dealer subsidiary, and the court now presides over the LBI SIPA liquidation case. JPMorgan Chase Bank was LBI's clearing bank and is the largest secured creditor in the Lehman and LBI cases, according to Lehman's schedules. JPMorgan Chase Bank anticipates that claims may be asserted against it and/or its security interests, including by the LBHI Creditors Committee, the SIPA Trustee appointed in the LBI liquidation case, the principal acquiror of LBI's assets, and others in connection with Lehman and LBI cases. JPMorgan Chase Bank intends to defend itself against any such claims.

As a result of the current economic environment there is a greater likelihood that more of JPMorgan Chase Bank's customers or counterparties could become delinquent on their loans or other obligations to JPMorgan Chase Bank which, in turn, could result in a higher level of charge-offs and provision for credit losses, or requirements that JPMorgan Chase Bank purchase assets or provide other funding, any of which could adversely affect JPMorgan Chase Bank's financial condition. Moreover, a significant deterioration in the credit quality of one of JPMorgan Chase Bank's counterparties could lead to concerns about the credit quality of other counterparties in the same industry, thereby exacerbating JPMorgan Chase Bank's credit risk exposure, and increasing the losses, including mark-to-market losses, that JPMorgan Chase Bank could incur in its trading, clearing, and proprietary businesses.

Concentration of credit and market risk could increase the potential for significant losses.

JPMorgan Chase Bank has exposure to increased levels of risk when a number of customers are engaged in similar business activities or activities in the same geographic region, or when they have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic conditions. JPMorgan Chase Bank regularly monitors various segments of its portfolio exposures to assess potential concentration risks. JPMorgan Chase Bank's efforts to diversify or hedge its credit portfolio against concentration risks may not be successful and any concentration of credit risk could increase the potential for significant losses in its credit portfolio. In addition, disruptions in the liquidity or transparency of the financial markets may result in JPMorgan Chase Bank's inability to sell, syndicate or realize upon securities, loans or other instruments or positions held by JPMorgan Chase Bank, thereby leading to increased concentrations of such positions. These concentrations could expose JPMorgan Chase Bank to losses if the mark-to-market value of the securities, loans or other instruments or positions decline causing JPMorgan Chase Bank to take write downs. Moreover, the inability to reduce positions not only increases the market and credit risks associated with such positions, but also increases the level of risk-weighted assets on JPMorgan Chase Bank's balance sheet, thereby increasing its capital requirements and funding costs, all of which could adversely affect JPMorgan Chase Bank's businesses' operations and profitability.

JPMorgan Chase Bank's framework for managing risks may not be effective in mitigating risk and loss to it.

JPMorgan Chase Bank's risk management framework seeks to mitigate risk and loss to it. JPMorgan Chase Bank has established processes and procedures intended to identify, measure, monitor, report and analyze the types of risk to which JPMorgan Chase Bank is subject, including liquidity risk, credit risk, market risk, interest rate risk, operational risk, legal and fiduciary risk and reputational risk, among others. However, as with any risk management framework, there are inherent limitations to JPMorgan Chase Bank's risk management strategies as there may exist, or develop in the future, risks that JPMorgan Chase Bank has not appropriately anticipated or identified. If JPMorgan Chase Bank's risk management framework proves ineffective, it could suffer unexpected losses and could be materially adversely affected.

JPMorgan Chase Bank's risk management strategies may not be effective because in a difficult or less liquid market environment other market participants may be attempting to use the same or similar strategies to deal with the difficult market conditions. In such circumstances, it may be difficult for JPMorgan Chase Bank to reduce its risk positions due to the activity of such other market participants.

JPMorgan Chase Bank's derivatives businesses may expose it to unexpected market, credit and operational risks that could cause JPMorgan Chase Bank to suffer unexpected losses. Severe declines in asset values, unanticipated credit events, or unforeseen circumstances that may cause previously uncorrelated factors to become correlated may create losses resulting from risks not appropriately taken into account in the development, structuring or pricing of a derivative instrument. In addition, certain of JPMorgan Chase Bank's derivative transactions require the physical settlement by delivery of securities, commodities or obligations that JPMorgan Chase Bank does not own; if JPMorgan Chase Bank is not able to obtain such securities, commodities or obligations within the required timeframe for delivery, this could cause JPMorgan Chase Bank to forfeit payments otherwise due to it and could result in settlement delays, which could damage JPMorgan Chase Bank's reputation and ability to transact future business. In addition, many derivative transactions are not cleared and settled through a central clearinghouse or exchange, and they may not always be confirmed or settled by counterparties on a timely basis. In these situations, JPMorgan Chase Bank is subject to heightened credit and operational risk, and in the event of a default, JPMorgan Chase Bank may find the contract more difficult to enforce. Further, as new and more complex derivative products are created, disputes regarding the terms or the settlement procedures of the contracts could arise, which could force JPMorgan Chase Bank to incur unexpected costs, including transaction and legal costs, and impair JPMorgan Chase Bank's ability to manage effectively its risk exposure from these products.

Many of JPMorgan Chase Bank's hedging strategies and other risk management techniques have a basis in historic market behavior, and all such strategies and techniques are based to some degree on management's subjective judgment. For example, many models used by JPMorgan Chase Bank are based on assumptions regarding correlations among prices of various asset classes or other market indicators. In times of market stress, such as occurred during 2008, or in the event of other unforeseen

circumstances, previously uncorrelated indicators may become correlated, or conversely, previously correlated indicators may make unrelated movements. These sudden market movements or unanticipated or unidentified market or economic movements have in some circumstances limited the effectiveness of JPMorgan Chase Bank's risk management strategies, causing it to incur losses. In addition, as JPMorgan Chase Bank's businesses grow and the markets in which they operate continue to evolve, JPMorgan Chase Bank's risk management framework may not always keep sufficient pace with those changes. For example, there is the risk that the credit and market risks associated with new products or new business strategies may not be appropriately identified, monitored or managed. There can be no assurance that JPMorgan Chase Bank's risk management framework, including its underlying assumptions or strategies, will at all times be accurate and effective.

JPMorgan Chase Bank's operations are subject to risk of loss from unfavorable economic, monetary, political, legal and other developments in the United States and around the world.

JPMorgan Chase Bank's businesses and earnings are affected by the fiscal and other policies that are adopted by various regulatory authorities of the United States, non-U.S. governments and international agencies.

The Board of Governors of the Federal Reserve System regulates the supply of money and credit in the United States. Its policies determine in large part the cost of funds for lending and investing and the return earned on those loans and investments. The market impact from such policies can also materially decrease the value of financial assets that JPMorgan Chase Bank holds, such as debt securities and mortgage servicing rights ("MSRs"). Federal Reserve policies also can adversely affect borrowers, potentially increasing the risk that they may fail to repay their loans or satisfy their obligations to JPMorgan Chase Bank. Changes in Federal Reserve policies are beyond JPMorgan Chase Bank's control and, consequently, the impact of these changes on JPMorgan Chase Bank's activities and results of operations is difficult to predict.

JPMorgan Chase Bank's businesses and revenue are also subject to the risks inherent in maintaining international operations and in investing and trading in securities of companies worldwide. These risks include, among others, risk of loss from the outbreak of hostilities or acts of terrorism and various unfavorable political, economic, legal or other developments, including social or political instability, changes in governmental policies or policies of central banks, expropriation, nationalization, confiscation of assets, price controls, capital controls, exchange controls, and changes in laws and regulations. Further, various countries in which JPMorgan Chase Bank operates or invests, or in which it may do so in the future, have in the past experienced severe economic disruptions, including extreme currency fluctuations, high inflation, or low or negative growth, among other negative conditions. Crime, corruption, war or military actions, acts of terrorism and a lack of an established legal and regulatory framework are additional challenges in some of these countries, particularly in the emerging markets. Revenue from international operations and trading in non-U.S. securities may be subject to negative fluctuations as a result of the above considerations. The impact of these fluctuations could be accentuated as some trading markets are smaller, less liquid and more volatile than larger markets. Also, any of the above-mentioned events or circumstances in one country can, and has in the past, affected JPMorgan Chase Bank's operations and investments in another country or countries. Any such unfavorable conditions or developments could have an adverse impact on JPMorgan Chase Bank's business and results of operations.

The emergence of a widespread health emergency or pandemic also could create economic or financial disruption that could negatively affect JPMorgan Chase Bank's revenue and operations or impair its ability to manage its businesses in certain parts of the world.

JPMorgan Chase Bank's power generation and commodities activities are subject to extensive regulation, potential catastrophic events and environmental risks and regulation that may expose it to significant cost and liability.

JPMorgan Chase Bank engages in power generation, and in connection with the commodities activities of its Investment Bank, JPMorgan Chase Bank engages in the storage, transportation, marketing or trading of several commodities, including metals, agricultural products, crude oil, oil products, natural gas, electric power, emission credits, coal, freight, and related products and indices. As a result of these activities, JPMorgan Chase Bank is subject to extensive and evolving energy, commodities,

environmental, and other governmental laws and regulations. JPMorgan Chase Bank expects laws and regulations affecting its power generation and commodities activities to expand in scope and complexity. JPMorgan Chase Bank may incur substantial costs in complying with current or future laws and regulations and the failure to comply with these laws and regulations may result in substantial civil and criminal fines and penalties. In addition, liability may be incurred without regard to fault under certain environmental laws and regulations for remediation of contaminations. JPMorgan Chase Bank's power generation and commodities activities also further expose it to the risk of unforeseen and catastrophic events, including natural disasters, leaks, spills, explosions, release of toxic substances, fires, accidents on land and at sea, wars, and terrorist attacks that could result in personal injuries, loss of life, property damage, damage to JPMorgan Chase Bank's reputation and suspension of operations. In addition, JPMorgan Chase Bank's power generation activities are subject to disruptions, many of which are outside of JPMorgan Chase Bank's control, from the breakdown or failure of power generation equipment, transmission lines or other equipment or processes, and the contractual failure of performance by third-party suppliers or service providers, including the failure to obtain and deliver raw materials necessary for the operation of power generation facilities. JPMorgan Chase Bank attempts to mitigate its risks, but JPMorgan Chase Bank's actions may not prove adequate to address every contingency. In addition, insurance covering some of these risks may not be available, and the proceeds, if any, from insurance recovery may not be adequate to cover liabilities with respect to particular incidents. As a result, JPMorgan Chase Bank's financial condition and results of operations may be adversely affected by such events.

JPMorgan Chase Bank rely on its systems, employees and certain counterparties, and certain failures could materially adversely affect JPMorgan Chase Bank's operations.

JPMorgan Chase Bank's businesses are dependent on its ability to process, record and monitor a large number of increasingly complex transactions. If any of JPMorgan Chase Bank's financial, accounting, or other data processing systems fail or have other significant shortcomings, JPMorgan Chase Bank could be materially adversely affected. JPMorgan Chase Bank is similarly dependent on its employees. JPMorgan Chase Bank could be materially adversely affected if one of its employees causes a significant operational break-down or failure, either as a result of human error or where an individual purposefully sabotages or fraudulently manipulates JPMorgan Chase Bank's operations or systems. Third parties with which JPMorgan Chase Bank does business could also be sources of operational risk to JPMorgan Chase Bank, including relating to breakdowns or failures of such parties' own systems or employees. Any of these occurrences could diminish JPMorgan Chase Bank's ability to operate one or more of its businesses, or result in potential liability to clients, reputational damage and regulatory intervention, any of which could materially adversely affect JPMorgan Chase Bank.

If personal, confidential or proprietary information of customers or clients in JPMorgan Chase Bank's possession were to be mishandled or misused, JPMorgan Chase Bank could suffer significant regulatory consequences, reputational damage and financial loss. Such mishandling or misuse could include, for example, if such information were erroneously provided to parties who are not permitted to have the information, either by fault of JPMorgan Chase Bank's systems, employees, or counterparties, or where such information is intercepted or otherwise inappropriately taken by third parties.

JPMorgan Chase Bank may be subject to disruptions of its operating systems arising from events that are wholly or partially beyond JPMorgan Chase Bank's control, which may include, for example, computer viruses or electrical or telecommunications outages, natural disasters, disease pandemics or other damage to property or physical assets, or events arising from local or larger scale politics, including terrorist acts. Such disruptions may give rise to losses in service to customers and loss or liability to JPMorgan Chase Bank.

In a firm as large and complex as JPMorgan Chase Bank, lapses or deficiencies in internal control over financial reporting may occur from time to time, and there is no assurance that significant deficiencies or material weaknesses in internal controls may not occur in the future. In addition, there is the risk that JPMorgan Chase Bank's controls and procedures as well as business continuity and data security systems prove to be inadequate. Any such failure could affect JPMorgan Chase Bank's operations and could materially adversely affect its results of operations by requiring JPMorgan Chase Bank to expend significant resources to correct the defect, as well as by exposing JPMorgan Chase Bank to litigation, regulatory fines or penalties or losses not covered by insurance.

JPMorgan Chase Bank operates within a highly regulated industry and its business and results are significantly affected by the laws and regulations to which JPMorgan Chase Bank is subject.

JPMorgan Chase Bank operates within a highly regulated industry. JPMorgan Chase Bank is subject to regulation under state and federal laws in the United States, as well as the applicable laws of each of the various other jurisdictions outside the United States in which JPMorgan Chase Bank does business. These laws and regulations affect the type and manner in which JPMorgan Chase Bank does business and may limit its ability to expand its product offerings, pursue acquisitions, or restrict the scope of operations and services provided.

Recent market and economic conditions have led to new legislation and numerous proposals for changes in the regulation of the financial services industry, including significant additional legislation and regulation in the United States. In response to such market and economic conditions, the U.S. government, particularly the U.S. Department of the Treasury, the Board of Governors of the Federal Reserve System, the FDIC, and foreign governments, have taken a variety of extraordinary measures designed to restore confidence in the financial markets, increase liquidity and to strengthen financial institutions. For example, on October 3, 2008 and on February 17, 2009, the U.S. Emergency Economic Stabilization Act of 2008 (the “EESA”) and the American Recovery and Reinvestment Act of 2009 (the “ARRA”), respectively, were signed into law. These laws are intended to provide fiscal stimulus and stability to the U.S. economy, by among other things, permitting the U.S. Treasury to make direct investments in financial institutions pursuant to the Capital Purchase Program. There can be no assurance, however, as to the actual impact that these laws and their implementing regulations, or any other governmental program, will have on the financial markets. The failure of the financial markets to stabilize and a continuation or worsening of current financial market and economic conditions could continue to materially and adversely affect JPMorgan Chase Bank’s business, financial condition, results of operations, access to credit or the trading price of JPMorgan Chase Bank’s common stock.

Participation in current or future government programs adopted in response to recent market events and economic conditions may subject JPMorgan Chase Bank to restrictions and additional oversight on the manner in which JPMorgan Chase Bank operates its business. JPMorgan Chase Bank is currently participating in the Capital Purchase Program, and under the terms of the program, as amended by the ARRA, the consent of the U.S. Treasury is required for JPMorgan Chase Bank to, among other things, increase its common stock dividend from the amount of the last quarterly stock dividend declared by JPMorgan Chase Bank prior to October 14, 2008 or, except in limited circumstances, repurchase its common stock or other preferred stock unless the Series K Preferred Stock that was issued to the U.S. Treasury under the Capital Purchase Program has been redeemed or the U.S. Treasury has transferred all of the Series K Preferred Stock to a third party. The ARRA also imposes restrictions on JPMorgan Chase Bank’s ability to pay incentive compensation to certain of its employees. There can be no assurance that any additional restrictions imposed by reason of JPMorgan Chase Bank’s participation in the Capital Purchase Program or other government programs will not have an adverse effect on JPMorgan Chase Bank’s business, results of operations and financial condition.

New legislation and regulatory changes could cause business disruptions, result in significant loss of revenue, limit JPMorgan Chase Bank’s ability to pursue business opportunities that JPMorgan Chase Bank might otherwise consider engaging in, impact the value of assets that JPMorgan Chase Bank holds, require it to change certain of its business practices, impose additional costs on JPMorgan Chase Bank or otherwise adversely affect its business. For example, on December 18, 2008, the Board of Governors of the Federal Reserve System adopted enhanced regulations for credit cards through amendments to Regulation Z, which implements the U.S. Truth-in-Lending Act, and also new regulations governing unfair or deceptive acts or practices under the U.S. Federal Trade Commission Act. These regulatory changes will require JPMorgan Chase Bank to invest significant management attention and resources to make the necessary disclosure and system changes, and could adversely affect JPMorgan Chase Bank’s business.

Additional legislation and regulations may be enacted or promulgated in the future, and JPMorgan Chase Bank is unable to predict the form such legislation or regulation may take, or the degree to which JPMorgan Chase Bank would need to modify its businesses or operations to comply with such legislation or regulation. For example, proposed legislation has been introduced in Congress that would amend to the Bankruptcy Code to permit modifications of certain mortgages that are secured by a

Chapter 13 debtor's principal residence. Proposed legislation has also been introduced in Congress that would, among other things, prescribe when interest can be charged on revolving credit card accounts, prescribe when and how interest rates can be increased, limit events of default that can result in interest rate increases on existing balances, restrict the imposition of certain fees, require a specified cutoff hour when payments must be credited to accounts, prescribe how payments must be allocated to outstanding balances on accounts and restrict the issuance of credit cards for persons under 21 years of age except in certain circumstances. There can be no assurance that if any such legislation were enacted that it would not have an adverse effect on JPMorgan Chase Bank's business, results of operations or financial condition.

If JPMorgan Chase Bank does not comply with the legislation and regulations that apply to its operations, JPMorgan Chase Bank may be subject to fines, penalties or material restrictions on its businesses in the jurisdiction where the violation occurred. In recent years, regulatory oversight and enforcement have increased substantially, imposing additional costs and increasing the potential risks associated with JPMorgan Chase Bank's operations. If this regulatory trend continues, it could adversely affect JPMorgan Chase Bank's operations and, in turn, its financial results. In addition, adverse publicity and damage to JPMorgan Chase Bank's reputation arising from the failure or perceived failure to comply with legal, regulatory or contractual requirements could affect JPMorgan Chase Bank's ability to attract and retain customers or to maintain access to capital markets, which could adversely affect JPMorgan Chase Bank's financial condition.

JPMorgan Chase Bank faces significant legal risks, both from regulatory investigations and proceedings and from private actions brought against it.

JPMorgan Chase Bank is named as a defendant or is otherwise involved in various legal proceedings, including class actions and other litigation or disputes with third parties, as well as investigations or proceedings brought by regulatory agencies. Actions brought against JPMorgan Chase Bank may result in judgments, settlements, fines, penalties or other results adverse to it, which could materially adversely affect JPMorgan Chase Bank's business, financial condition or results of operation, or cause JPMorgan Chase Bank serious reputational harm. As a participant in the financial services industry, it is likely that JPMorgan Chase Bank will continue to experience a high level of litigation and regulatory scrutiny and investigations related to its businesses and operations.

There is increasing competition in the financial services industry which may adversely affect JPMorgan Chase Bank's results of operations.

JPMorgan Chase Bank operates in a highly competitive environment and expects competitive conditions to continue to intensify as continued merger activity in the financial services industry produces larger, better-capitalized and more geographically diverse companies that are capable of offering a wider array of financial products and services at more competitive prices. Consolidations in the financial services industry increased substantially during 2008, as several major U.S. financial institutions merged, were forced to sell assets and, in some cases, failed.

JPMorgan Chase Bank also faces an increasing array of competitors. Competitors include other banks, brokerage firms, investment banking companies, merchant banks, hedge funds, insurance companies, mutual fund companies, credit card companies, mortgage banking companies, trust companies, securities processing companies, automobile financing companies, leasing companies, e-commerce and other Internet-based companies, and a variety of other financial services and advisory companies. Technological advances and the growth of e-commerce have made it possible for non-depository institutions to offer products and services that traditionally were banking products, and for financial institutions and other companies to provide electronic and Internet-based financial solutions, including electronic securities trading. JPMorgan Chase Bank's businesses generally compete on the basis of the quality and variety of JPMorgan Chase Bank's products and services, transaction execution, innovation, reputation and price. Ongoing or increased competition in any one or all of these areas may put downward pressure on prices for JPMorgan Chase Bank's products and services or may cause JPMorgan Chase Bank to lose market share. Increased competition also may require JPMorgan Chase Bank to make additional capital investment in its businesses in order to remain competitive. These investments may increase expense or may require JPMorgan Chase Bank to extend more of its capital on behalf of clients in order to execute larger, more competitive transactions. There can be no

assurance that the significant and increasing competition in the financial services industry will not materially adversely affect JPMorgan Chase Bank's future results of operations.

JPMorgan Chase Bank's acquisitions and the integration of acquired businesses may not result in all of the benefits anticipated.

JPMorgan Chase Bank has in the past and may in the future seek to grow its business by acquiring other businesses. There can be no assurance that JPMorgan Chase Bank's acquisitions will have the anticipated positive results, including results relating to: the total cost of integration; the time required to complete the integration; the amount of longer-term cost savings; the overall performance of the combined entity; or an improved price for JPMorgan Chase Bank's common stock. Integration of an acquired business can be complex and costly, sometimes including combining relevant accounting and data processing systems and management controls, as well as managing relevant relationships with employees, clients, suppliers and other business partners. Integration efforts could divert management attention and resources, which could adversely affect JPMorgan Chase Bank's operations or results.

Given the continued market volatility and uncertainty, JPMorgan Chase Bank may continue to experience increased credit costs or need to take additional markdowns and allowances for loan losses on the assets and loans acquired in the merger by and among JPMorgan Chase Bank and The Bear Stearns Companies Inc. and in connection with the acquisition of Washington Mutual Bank's banking operations that could negatively affect JPMorgan Chase Bank's financial condition and results of operations in the future. There is no assurance that as JPMorgan Chase Bank's integration efforts continue in connection with these transactions, other unanticipated costs or losses will not be incurred.

Acquisitions may also result in business disruptions that cause JPMorgan Chase Bank to lose customers or cause customers to remove their accounts from JPMorgan Chase Bank and move their business to competing financial institutions. It is possible that the integration process related to acquisitions could result in the disruption of JPMorgan Chase Bank's ongoing businesses or inconsistencies in standards, controls, procedures and policies that could adversely affect JPMorgan Chase Bank's ability to maintain relationships with clients, customers, depositors and employees. The loss of key employees in connection with an acquisition could adversely affect JPMorgan Chase Bank's ability to successfully conduct its business.

Damage to JPMorgan Chase Bank's reputation could damage its businesses.

Maintaining a positive reputation is critical to JPMorgan Chase Bank's attracting and maintaining customers, investors and employees. Damage to JPMorgan Chase Bank's reputation can therefore cause significant harm to its business and prospects. Harm to JPMorgan Chase Bank's reputation can arise from numerous sources, including, among others, employee misconduct, litigation or regulatory outcomes, failing to deliver minimum standards of service and quality, compliance failures, unethical behavior, and the activities of customers and counterparties. Further, negative publicity regarding JPMorgan Chase Bank, whether or not true, may also result in harm to JPMorgan Chase Bank's prospects.

JPMorgan Chase Bank could suffer significant reputational harm if it fails to properly identify and manage potential conflicts of interest. Management of potential conflicts of interests has become increasingly complex as JPMorgan Chase Bank expands its business activities through more numerous transactions, obligations and interests with and among its clients. The failure to adequately address, or the perceived failure to adequately address, conflicts of interest could affect the willingness of clients to deal with JPMorgan Chase Bank, or give rise to litigation or enforcement actions. Therefore, there can be no assurance that conflicts of interest will not arise in the future that could cause material harm to JPMorgan Chase Bank.

JPMorgan Chase Bank's ability to attract and retain qualified employees is critical to the success of its business and failure to do so may materially adversely affect JPMorgan Chase Bank's

performance.

JPMorgan Chase Bank's employees are its most important resource and, in many areas of the financial services industry, competition for qualified personnel is intense. The executive compensation restrictions currently, or that in the future may be, imposed on JPMorgan Chase Bank as a result of its participation in the Capital Purchase Program or other government programs, may adversely affect JPMorgan Chase Bank's ability to attract and retain qualified senior management and employees. If JPMorgan Chase Bank is unable to continue to retain and attract qualified employees, JPMorgan Chase Bank's performance, including its competitive position, could be materially adversely affected.

JPMorgan Chase Bank's financial statements are based in part on assumptions and estimates which, if wrong, could cause unexpected losses in the future.

Pursuant to accounting principles generally accepted in the United States, JPMorgan Chase Bank is required to use certain assumptions and estimates in preparing its financial statements, including in determining credit loss reserves, reserves related to litigations and the fair value of certain assets and liabilities, among other items. If assumptions or estimates underlying JPMorgan Chase Bank's financial statements are incorrect, JPMorgan Chase Bank may experience material losses.

For example, JPMorgan Chase Bank makes judgments in connection with its consolidation analysis of SPEs. If it is later determined that non-consolidated SPEs should be consolidated, this could negatively affect JPMorgan Chase Bank's Consolidated Balance Sheets, related funding requirements, capital ratios and, if the SPEs' assets include unrealized losses, could require JPMorgan Chase Bank to recognize those losses.

Certain of JPMorgan Chase Bank's financial instruments, including trading assets and liabilities, available-for-sale securities, certain loans, MSRs, structured notes and certain repurchase and resale agreements, among other items, require a determination of their fair value in order to prepare JPMorgan Chase Bank's financial statements. Where quoted market prices are not available, JPMorgan Chase Bank may make fair value determinations based on internally developed models or other means which ultimately rely to some degree on management judgment. Some of these and other assets and liabilities may have no direct observable price levels, making their valuation particularly subjective, being based on significant estimation and judgment. In addition, sudden illiquidity in markets or declines in prices of certain loans and securities may make it more difficult to value certain balance sheet items, which may lead to the possibility that such valuations will be subject to further change or adjustment and could lead to declines in JPMorgan Chase Bank's earnings.

JPMorgan Chase Bank is affected by risks affecting its parent company.

JPMorgan Chase Bank's parent company, JPMorgan Chase & Co., and other subsidiaries of JPMorgan Chase & Co. are also subject to each of the risks above, in addition to further risks. Risks that affect JPMorgan Chase can also affect JPMorgan Chase Bank as there is substantial overlap in the businesses of JPMorgan Chase Bank and JPMorgan Chase. Further, JPMorgan Chase Bank can be negatively affected by risks and other events affecting JPMorgan Chase even where JPMorgan Chase Bank is not directly affected. For example, where JPMorgan Chase's reputation is damaged, JPMorgan Chase Bank's reputation would likely also be damaged which could negatively affect JPMorgan Chase Bank.

Risks relating to the Instruments generally

Suitability: the Instruments may not be a suitable investment for all investors

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

- (i) have sufficient knowledge and experience to evaluate the Instruments, the merits and risks of investing in the Instruments and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement and all information contained in the relevant Final Terms;

- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Instruments and the impact the Instruments will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Instruments, including where the settlement currency is different from the currency in which such investor's principal financial activities are principally denominated;
- (iv) understand thoroughly the terms of the Instruments and be familiar with any relevant indices and financial markets;
- (v) in respect of Instruments linked to the performance of one or more Shares, Indices, floating rates, rates of interest, inflation indices, foreign exchange rates, funds, commodities and/or any other type of instruments or assets (together, "**Reference Assets**" and each, a "**Reference Asset**") and/or entities (together "**Reference Entities**" and each, a "**Reference Entity**"), understand thoroughly the nature of such Reference Assets and/or Reference Entities and how the performance thereof may affect the pay-out and value of the Instruments; and
- (vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

Illiquidity: an active trading market for the Instruments may not develop

It is not possible to predict the price at which Instruments will trade in the secondary market or whether such market will be liquid or illiquid. The Issuer may list Instruments on Euronext Amsterdam by NYSE Euronext or of any other listing authority, stock exchange or quotation system as specified in the relevant Final Terms. In the event of a delisting or suspension of trading on such exchange, the Issuer will use all reasonable efforts to list the relevant Instruments on another exchange. If any Instruments are not listed or traded on any exchange, pricing information for the Instruments may be more difficult to obtain and the liquidity of the Instruments may be adversely affected. Also, to the extent Securities are exercised, the number of Securities outstanding will decrease, resulting in a lessening of the liquidity of the Securities. A lessening of the liquidity of the Securities may cause, in turn, an increase in the volatility associated with the price of the Securities. To the extent that the secondary market in an issue of Securities becomes illiquid, an investor may have to exercise such Securities to realise value.

Issue Price: the Issue Price of the Instruments may be more than the market value of such Instruments as at the Issue Date, and the price of the Instruments in secondary market transactions

The Issue Price in respect of any Instruments specified in the relevant Final Terms may be more than the market value of such Instruments as at the Issue Date, and the price, if any, at which the Dealer or any other person willing to purchase such Instruments in secondary market transactions may be lower than the Issue Price in respect of such Instruments. In particular, the Issue Price in respect of any Instruments may take into account amounts with respect to commissions relating to the issue and sale of such Instruments as well as amounts relating to the hedging of the Issuer's obligations under such Instruments, and secondary market prices are likely to exclude such amounts. In addition, pricing models of relevant market participants may differ or produce a different result.

Conflicts of Interest: the JPMorgan Group is subject to various potential conflicts of interest in respect of the Instruments, including in relation to its hedging and market-making activities, which could have an adverse effect on the Instruments

In the ordinary course of their business, whether or not there will be any secondary market making activities, the Issuer, the Guarantor and/or the JPMorgan Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the Reference Asset(s) or related derivatives. In addition, in connection with the offering of Instruments, the Issuer, the Guarantor and/or the JPMorgan Group may enter into one or more hedging transactions with respect to the Reference Asset(s) or related derivatives. In connection with such hedging or market-making

activities or with respect to proprietary or other trading activities by the Issuer, the Guarantor and/or the JPMorgan Group, the Issuer, the Guarantor and/or the JPMorgan Group may enter into transactions in the Reference Asset(s) or related derivatives which may adversely (or positively) affect price, liquidity or value of the relevant Instruments and which could therefore be adverse to the interests of the relevant Holders.

Further, because the Calculation Agent may (as shall be specified in the relevant Final Terms) be an affiliate of the Issuer and Guarantor, potential conflicts of interest may exist between the Calculation Agent and the Holders, including with respect to the exercise of the discretionary powers of the Calculation Agent, such as, for example, if a Market Disruption Event or a Settlement Disruption Event has occurred, and the making of adjustments to the payments on the Instruments following Potential Adjustment Events and/or other events. See also "Calculation Agent's discretion" below.

Calculation Agent's discretion: although the Calculation Agent (which will likely be an affiliate of the JPMorgan Group) is required to act in any circumstance in good faith and in a commercially reasonable manner, it has very broad discretionary authority to make various determinations and adjustments under the Instruments, any of which may have an adverse effect on the value and/or the amounts payable under the Instruments

The Calculation Agent has a broad discretion (i) to determine whether a Disrupted Day, Index Adjustment Event, Potential Adjustment Event, Extraordinary Event, Settlement Disruption Event and/or any other event and/or matter so specified in the Conditions has occurred, (ii) to determine any resulting adjustments and calculations as described in the Conditions and (iii) in respect of any other matters as may be specified in the relevant Final Terms. Prospective purchasers should be aware that any determination made by the Calculation Agent may have an impact on the value and financial return of the Instruments. Any such discretion exercised by, or any calculation made by, the Calculation Agent (in the absence of manifest error) shall be binding on the Issuer and all holders of the Instruments.

Unsecured Obligations: the Instruments are unsecured obligations

The obligations of the Issuer in respect of Instruments are not secured. Investors in the Instruments do not have or receive any rights in respect of any underlying shares or indices and may have no right to call for underlying shares to be delivered to them. The Issuer is not obliged by the terms of any Instruments to hold any underlying shares.

Purchase, Sale and Transfer Restrictions: purchases, sales and transfers of Instruments are subject to certain restrictions

Purchases, sales and transfers of Instruments are subject to the restrictions set forth in the section "Subscription and Sale" in this Base Prospectus, as well as such additional restrictions as may be set forth in the applicable Final Terms. Transactions in violation of these restrictions will be a breach of the terms of the Instruments and the Issuer will be entitled to bring legal proceedings in courts of competent jurisdiction to void such transactions. Holders who acquire Instruments in violation of the restrictions in this Base Prospectus and the applicable Final Terms may not be entitled to the rights and benefits of the Instrument.

Illegality: the Instruments may be redeemed early if the Issuer's performance under such Instruments has become unlawful or impractical in whole or in part for any reason

If the Issuer determines, by giving notice to the Holders, the Fiscal Agent and Principal Agent that its performance under any Instrument has become unlawful or impractical in whole or in part for any reason, such Issuer may redeem or cancel such Instrument (as applicable) and, if permitted by applicable law, pay the holder of each such Instrument an amount determined by the Calculation Agent in its reasonable discretion as representing the fair market value of such Instrument notwithstanding such illegality or impracticality less the reasonable costs to such Issuer of unwinding any underlying related hedging arrangements plus all other reasonable expenses related thereto or an amount otherwise determined by the Calculation Agent in its reasonable discretion as specified in the relevant Final Terms.

Market Disruption Events: *any consequential postponement of or any alternative provisions for valuation following a Market Disruption Event may have an adverse effect on the value of the Instruments*

If an issue of Instruments includes provisions dealing with the occurrence of a Market Disruption Event on an Initial Valuation Date, Valuation Date, Interest Valuation Date, Initial Averaging Date, Averaging Date, Observation Date or other date, and the Calculation Agent determines that a Market Disruption Event has occurred or exists on such date, any consequential postponement of or any alternative provisions for valuation provided in any Instrument may have an adverse effect on the value of such Instrument.

Settlement Disruption Events: *the occurrence of a Settlement Disruption Event may lead to a Delayed Delivery and/or Reduced Payment*

In the case of Physical Delivery Securities, Equity Linked Notes which are physically settled or Index Linked Notes which are physically settled, if a Settlement Disruption Event occurs or exists on the Settlement Date, settlement may be postponed until the next day on which Settlement may occur and on which no Settlement Disruption Event occurs. The Issuer in these circumstances may also have the right to pay the Disruption Cash Settlement Price (as defined in the Conditions) in lieu of delivering the Reference Asset. Such a determination may have an adverse effect on the value of the relevant Instruments.

Caps on increase in value of underlyings: *the exposure (if any) to the upside value of a relevant Reference Asset or Reference Entity may be capped*

If the relevant Final Terms provides that the exposure of the Instruments linked to a Reference Asset or Reference Entity to one or more Reference Assets or Reference Entities is limited or capped to a certain level or amount, such Instruments will not benefit from any upside in the value of any such Reference Asset or Reference Entity beyond such limit or cap.

Hedging by the Holder: *it may not be possible to use the Instruments as a perfect hedge against the market risk associated with investing in a Reference Asset*

Prospective purchasers intending to purchase Instruments to hedge against the market risk associated with investing in a Reference Asset should recognise the complexities of utilising Instruments in this manner. For example, the value of the Instruments may not exactly correlate with the value of the Reference Asset. Due to fluctuating supply and demand for the Instruments, there is no assurance that their value will correlate with movements of the Reference Asset. For these reasons, among others, it may not be possible to purchase or liquidate Instruments in a portfolio at the prices used to calculate the value of any relevant index or basket.

Regulatory: *there may be regulatory consequences to the Holder of holding Instruments linked to a Reference Asset or Reference Entity*

There may be regulatory and other ramifications associated with the ownership by certain investors of certain Instruments linked to a Reference Asset or Reference Entity. Each purchaser of Instruments must conduct its own investigation into its regulatory position with respect to the potential purchase of Instruments, and none of the Issuer, the Guarantor, the Dealer or the Arranger assumes any obligation or liability whatsoever to such purchaser in such regard.

Actual Yield: *a Holder's actual yield on the Instruments may be reduced from the stated yield by transaction costs*

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

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

Effective Yield: *a Holder's effective yield on the Instruments may be diminished by the tax impact on that Holder of its investment in the Instruments*

Payments of interest on the Notes (if applicable), or profits realised by the Holder upon the sale or repayment of the Instruments, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The tax impact on Holders generally in various jurisdictions is described under "*Taxation*" below; however, the tax impact on an individual Holder may differ from the situation described for Holders generally. The Issuer advises all investors to contact their own tax advisors for advice on the tax impact of an investment in the Instruments.

Instruments Not Standardised Options: *the Instruments are not standardised stock index options of the type traded on various options exchanges*

The Instruments are not standardised stock index options of the type traded on various options exchanges. For example, unlike purchasers of standardised options issued in the United States by the Options Clearing Corporation or standardised options issued outside the United States by similar non-U.S. entities, who obtain the credit benefits of guarantees and margin and collateral deposits by the issuer's clearing members to protect the issuer from a clearing member's failure, purchasers of the Instruments must look solely to the Issuer for performance of the Issuer's obligations to pay the Settlement Amount or to deliver the Reference Assets, as applicable, upon the exercise of the Instruments or failing which to the Guarantor. Further, the market for the Instruments is not generally expected to be as liquid as the market for some exchange-traded standardised options. See "*Illiquidity: an active trading market for the Instruments may not develop*" above.

Payment Disruption Events: *the occurrence of a Payment Disruption Event may lead to a Delayed and/or Reduced Payment*

If "Payment Disruption Event" is specified to be applicable in the relevant Final Terms, in the event that the Calculation Agent determines that an event beyond the control of the Hedging Entity (being the Issuer or an affiliate acting on its behalf) (a "**Payment Disruption Event**") has occurred or will occur as a result of which the Hedging Entity is not able or would not be able to sell (or otherwise realise) or receive the proceeds from the sale or other disposal of all or any part of the Reference Assets or other financial products held by the Hedging Entity to hedge the Issuer's obligations in respect of the Notes prior to or on any date on which payments in respect of such Notes shall fall due, then the Maturity Date, Exercise Date, Redemption Date, Settlement Date or any relevant payment date (as applicable) may be postponed to a date falling 14 days after the date on which the Payment Disruption Event is no longer occurring. There shall be no accrued interest payable in respect of any such postponement and no Event of Default in respect of the Notes will result. Partial payments from the proceeds of realisation of sale of Reference Assets by the Hedging Entity may be paid during such period (after deduction for any hedging expenses). In the event that a Payment Disruption Event is still continuing and there remain Reference Assets held by the Hedging Entity to hedge the Issuer's obligations in respect of the Instruments which have not been sold or otherwise realised before the date which is one year after the Maturity Date, Exercise Date, Redemption Date, Settlement Date or other relevant payment date (as applicable) (the "**Payment Event Cut-off Date**"), then (i) the Maturity Date, Exercise Date, Redemption Date, Settlement Date or other relevant payment date (as applicable) for the Instruments shall fall on the Payment Event Cut-off Date, (ii) the settlement price of the remaining Reference Assets held by the Hedging Entity which are still subject to the Payment Disruption Event or have not been sold or realised by the Hedging Entity shall be deemed to be zero and (iii) the remaining amounts payable under the Instruments shall be deemed to be zero and the Issuer shall have no obligations whatsoever under the Instruments.

Additional Risks relating to Instruments with interest and/or principal and/or redemption amounts linked to one or more specified types of Reference Assets and/or Reference Entities

Additional risk factors relating to Index Linked Instruments

Returns on Index Linked Instruments might not reflect the return an investor would realise if it actually owned the relevant stocks of any of the companies comprising the components of the Index (the "**Index Components**") or, as the case may be, indices in the Index Basket and received the dividends paid on those stocks because the closing index level or levels on the Valuation Date(s), Averaging Dates or any other relevant dates may reflect the prices of the Index Components on such dates without taking into consideration the value of dividends paid on those stocks. Accordingly, investors in Index Linked Instruments may receive a lower payment upon redemption of such Instruments than such investor would have received if it had invested in the Index Components of the relevant Index directly. Also, an investor will not have voting rights or rights to receive cash dividends or other distributions or other rights that holders of securities comprising the Index Components would have. Potential investors in Index Linked Instruments should also be aware that the Index Sponsor of any relevant Index can add, delete or substitute the Index Components or make other methodological changes that could change the level of one or more Index Components. The changing of Index Components of any relevant Index may affect the level of any relevant Index as a newly added company may perform significantly worse or better than the company it replaces. Additionally, the Index Sponsor of any relevant Index may alter, discontinue or suspend calculation or dissemination of such Index. Any of these actions could adversely affect the value of the Instruments. No Index Sponsor has any obligation to consider interests of Holders of the Instruments in calculating or revising its Index.

In addition to the various economic and other risks applicable to Index Linked Instruments as described in this Base Prospectus, the terms of Index Linked Instruments are subject to material adjustments and potentially early redemption following the occurrence of certain events. For example, subject as set forth in the relevant Final Terms, following the occurrence of an Index Adjustment Event, the Calculation Agent, although required to act in good faith and in a commercially reasonable manner, may have considerable discretion to make adjustments to the terms of the Instruments including the replacement of an existing index and/or modifications to amounts otherwise payable on redemption and/or determination by it of its own estimate of an Index Level or Closing Index Level (as applicable) and/or potentially early redemption of the Instruments. In addition, subject as set forth in the relevant Final Terms, if an Index Level is due to be determined in respect of an Index on any Scheduled Trading Day which is a Disrupted Day in respect of such Index, which disruption continues on consecutive Scheduled Trading Days equal to the specified maximum, the Calculation Agent may calculate the Index Level of such Index using the Exchange traded or quoted price as of the relevant Valuation Time on the last consecutive Scheduled Trading Day of each Component comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of any relevant Component on that last consecutive Scheduled Trading Day) its good faith estimate of the value for the relevant Component as of the relevant Valuation Time on that last consecutive Scheduled Trading Day.

Additional risk factors relating to Equity Linked Instruments

In addition to the various economic and other risks applicable to Equity Linked Instruments as described in this Base Prospectus, the terms of Equity Linked Instruments are subject to material adjustments and potentially early redemption following the occurrence of certain events. For example, subject as set forth in the relevant Final Terms, following the occurrence of a Potential Adjustment Event, the Calculation Agent will, in its reasonable discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of any of the payment amounts under the Instruments and/or any of the other terms of the Conditions determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and (ii) determine the effective date of that adjustment. Such adjustment may have an adverse effect on the value and liquidity of the affected Equity Linked Instruments.

In addition, subject as set forth in the relevant Final Terms, in the case of Equity Linked Instruments (and save for in respect of Securities on an Index Basket), if a Merger Event, Tender Offer, De-listing, Nationalisation or Insolvency occurs in relation to any Share, then:

- (i) if "Modified Calculation Agent Adjustment" (or, in the case of Securities only "Calculation Agent Adjustment") is specified to be applicable in the relevant Final Terms), the Calculation Agent shall either (a) make such adjustment to the redemption, settlement, payment or any other terms of the Instruments (including, but not limited to, a Share Substitution if specified as being applicable in the relevant Final Terms) as the Calculation Agent determines appropriate to account for the economic effect on the Instruments of such Merger Event or Tender Offer, or other event, (including (if "Modified Calculation Asset Adjustment" applies) or excluding (if "Calculation Agent Adjustment" applies) adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Instruments), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event or Tender Offer by an Options Exchange to options on the relevant Shares traded on such Options Exchange (and determine the effective date of that adjustment), or (b) if the Calculation Agent determines that no adjustment that it could make under (a) will produce a commercially reasonable result, the Instruments will be redeemed upon prior notice made to the Holders in accordance with the Conditions; or
- (ii) otherwise than in (i), redeem part or all of the Instruments.

Following such redemption, an investor generally would not be able to reinvest the redemption proceeds at any effective interest rate as high as the interest rate on the relevant Instruments being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Equity Linked Instruments do not represent a claim against or an investment in any Share Issuer and Holders will not have any right of recourse under the Instruments to any such company. The Instruments are not in any way sponsored, endorsed or promoted by any Share Issuer and such companies have no obligation to take into account the consequences of their actions for any Holders.

Additional risk factors relating to Equity Linked Instruments linked to a Share Basket and Index Linked Instruments linked to Index Basket Related Instruments

The value of a Share Basket or Index Basket may be affected by the number of Reference Assets included in such Share Basket or Index Basket. Generally, the value of a Share Basket or Index Basket that includes Reference Assets from a number of Reference Asset issuers or Indices will be less affected by changes in the value of any particular Reference Asset included therein than a Basket that includes fewer Reference Assets or that gives greater weight to some Reference Assets included therein. In addition, if the Reference Assets included in a Share Basket or Index Basket are concentrated in a particular industry, the value of such a Basket will be more affected by the economic, financial and other factors affecting that industry than if the Reference Assets included in the Basket are in various industries that are affected by different economic, financial or other factors or are affected by such factors in different ways.

- (i) *The volatility of the Reference Assets.* If the volatility of the Reference Assets increases, the trading value of an Instrument is expected to increase; if the volatility decreases, the trading value of an Instrument is expected to decrease.
- (ii) *The time remaining to the expiration of the Instrument.* As the time remaining to the expiration of the Instrument decreases, the trading value of an Instrument is expected to decrease.
- (iii) *Dividend rates.* If the dividend rates on the Reference Assets increase, the trading value of a put Instrument is expected to increase and the trading value of a call Instrument is expected to decrease. Increased dividend rates may, however, positively affect the value of Reference Assets and the trading value of a put Instrument could then be expected to decrease and the trading value of a call Instrument could then be expected to increase. If such dividend rates decrease, the trading value of a put Instrument is expected to decrease and the trading value of a call Instrument is expected to increase. Decreased dividend rates may, however, adversely affect the value of the Reference Assets and the trading value of a put Instrument could then be expected to increase and the trading value of a call Instrument could then be expected to decrease. Spread Instruments are also affected by the relative movements of the Reference Assets on which they are based.

Additional risk factors relating to Credit Linked Instruments

To the extent that the Credit Linkage Provisions apply to any Instruments, the value, redemption amount and return to investor in respect of such Instruments may be dramatically affected by such credit linkage and/or Credit Event in respect of any applicable Reference Entity.

There may exist at times only small markets for the Instruments and for the obligations of the Reference Entity to which the Instruments are linked, resulting in low or non-existent volumes of trading in the Instruments and such obligations, and therefore a lack of liquidity and price volatility of the Instruments and such obligations.

In selecting any Reference Obligations hereunder, the Calculation Agent is under no obligation to the Holders or any other person and, provided that the obligation selected meets the applicable criteria (if any), is entitled, and indeed will endeavour, to select obligations with the lowest or highest price (depending on who is the Buyer) of any obligations which meet such criteria. In making any selection, the Calculation Agent will not be liable to account to the Holders or any other person for any profit or other benefit to it or any of its affiliates which may result directly or indirectly from any such selection.

In selecting any substitute Reference Entity, any Valuation Date, any Quotation Amount or any Quotation Time or in making any other selection in accordance with the terms of the Instruments, the Calculation Agent is under no obligation to the Holders or any other person and provided that the relevant selection meets the criteria specified, the Calculation Agent will not be liable to account to the Holders or any other person for any profit or other benefit to it or any of its affiliates which may result directly or indirectly from any such selection.

In addition, the Issuer, the Guarantor and their affiliates may, for their own account and for the account of customers, engage in any kind of transactions and other business directly or indirectly involving a Reference Entity and may act with respect to such business in the same manner as it would if the Instruments had not been issued, regardless of whether any such action might have an adverse effect directly or indirectly on a Reference Entity. The Issuer and its affiliates may on the Issue Date of the Instruments or at any time thereafter be in possession of information in relation to a Reference Entity that is or may be material in the context of the issue of Instruments and that may not be publicly available or known to the purchasers. There is no obligation on the part of the Issuer, the Guarantor or their affiliates to disclose to the Holders any such relationship or information.

Additional risk factors relating to Commodity Linked Instruments

Investments (such as Commodity Linked Instruments) which are related to the value of commodities tend to be more volatile than traditional securities investments. The market values of commodities tend to be highly volatile. Commodity market values are not related to the value of a future income or earnings stream, as tends to be the case with fixed-income and equity investments, but are subject to variables of specific application to commodities markets. These variables include changes in supply and demand relationships, governmental programmes and policies, national and international monetary, trade, political, judicial and economic events, changes in interest and exchange rates, speculation and trading activities in commodities and related contracts, weather, and agricultural, trade, fiscal and exchange control policies. These factors may have a larger impact on commodity prices and commodity-linked instruments than on traditional fixed-income and equity securities.

Additional risk factors relating to Inflation Linked Instruments

A relevant consumer price index or other formula linked to a measure of inflation to which the Instruments are linked may be subject to significant fluctuations that may not correlate with other indices. Any movement in the level of the index may result in a reduction of the interest payable on the Notes (if applicable) or, in the case of Instruments with a redemption amount linked to inflation, in a reduction of the amount payable on redemption which in some cases could be less than the amount originally invested.

The timing of changes in the relevant consumer price index or other formula linked to the measure of inflation comprising the relevant Index or Indices may affect the actual yield to investors on the Instruments, even if the average level is consistent with their expectations.

An Index to which interest payments and/or the redemption amount of Inflation Linked Instruments are linked is only one measure of inflation for the relevant jurisdiction, and such Index may not correlate perfectly with the rate of inflation experienced by Holders in such jurisdiction.

Interest payments and/or redemption amount of Inflation Linked Instruments may be based on a calculation made by reference to a consumer price index for a month which is several months prior to the date of payment on the Instruments and therefore could be substantially different from the level of inflation at the time of the payment of interest or, as the case may be, principal on the Instruments.

Additional risk factors relating to Instruments linked to ADRs and/or GDRs

There are important differences between the rights of holders of American Depositary Receipts ("ADRs") or Global Depositary Receipts ("GDRs") (ADRs and GDRs, together, "**Depositary Receipts**") and the rights of holders of the stock of the Underlying Share Issuer represented by such Depositary Receipts. A Depositary Receipt is a security that represents capital stock of the relevant Underlying Share Issuer. The relevant Deposit Agreement for the Depositary Receipt sets forth the rights and responsibilities of the Depositary (being the issuer of the Depositary Receipt), the Underlying Share Issuer and holders of the Depositary Receipt which may be different from the rights of holders of the Underlying Shares. For example, the Underlying Share Issuer may make distributions in respect of its Underlying Shares that are not passed on to the holders of its Depositary Receipts. Any such differences between the rights of holders of the Depositary Receipts and holders of the Underlying Shares of the Underlying Share Issuer may be significant and may materially and adversely affect the value of the relevant Instruments. Depositary Receipts representing Underlying Shares in a foreign jurisdiction (in particular an emerging market jurisdiction) involve risks associated with the securities markets in such jurisdictions – see "Additional Risk Factors relating to Reference Assets in emerging market jurisdictions".

Additional risk factors relating to Instruments linked to Reference Assets in emerging market jurisdictions

Instruments linked to the value of Reference Assets in an emerging market jurisdiction (including, for example, Shares of a company situated in an emerging market jurisdiction, Indices comprised of such shares and foreign exchange rates of emerging market jurisdictions) involve risks associated with the securities markets in such jurisdictions, including potential risks of volatility, governmental intervention and cross shareholdings in companies. Also, there is generally less publicly available information about companies in emerging market jurisdictions and potentially less developed accounting, auditing and financial reporting standards and requirements and securities trading rules. The prices of securities in emerging market jurisdictions may be affected by political, economic, financial and social factors in such markets, including changes in a country's government, economic and fiscal policies, currency exchange laws or other foreign laws or restrictions.

Currency exchange rates in emerging markets have historically been subject to particularly high fluctuations and, therefore, if the relevant Reference Asset is quoted in local currency, there is a significant currency risk. In the circumstance where, pursuant to the terms of the relevant Instrument, the local currency is converted into the currency of the Instrument, the value of the Instrument may fall considerably even though the price of the Reference Asset during the life of the Reference Asset has essentially remained unchanged or even risen. This means that some or all of the performance of the Reference Asset may be counteracted by currency losses or that the performance of the Reference Asset even becomes negative.

Additional risk factors relating to Foreign Exchange Rate Linked Instruments

An investment in Foreign Exchange Rate Linked Instruments entails significant risks in addition to those associated with investments in a conventional debt security. The foreign exchange rate(s) to which the Instruments are linked (the "**Relevant Foreign Exchange Rate(s)**") will affect the nature and value of the investment return on the Instruments. Investors should form their own views on the merits of an investment related to the Relevant Foreign Exchange Rate(s) based upon their own such investigations of such Relevant Foreign Exchange Rate(s) and should not rely on any information given in this Base Prospectus. As noted above, given the highly specialised nature of these Instruments, the Issuer and the Guarantor consider that the Instruments are only suitable for sophisticated investors who are able to determine for themselves the risks of an investment linked to the Relevant Foreign

Exchange Rate(s), and who possess all other relevant knowledge and experience in financial and business matters.

Prospective investors should note that the Issuer and its affiliates are regular participants in the foreign exchange markets and in the ordinary course of their business may effect transactions for their own account or for the account of their customers and hold long and short positions in currencies and related derivatives, including in the currencies of the Relevant Foreign Exchange Rate(s). Such transactions may affect the Relevant Foreign Exchange Rate(s), the market price, liquidity or value of the Instruments and could be adverse to the interests of Holders. Neither the Issuer nor any of its affiliates has any duty to enter into such transactions in a manner which is favourable to Holders.

Foreign Exchange Rate Linked Instruments may be linked to emerging market currencies and, as such, may experience greater volatility and less certainty as to its future levels or as against other currencies.

Additional risk factors relating to Fund Linked Instruments

Any Funds comprised in a Basket may be subject not only to market price fluctuations, but also to numerous other factors that may trigger the substitution of any relevant Fund by other constituents (which may, or may not be, another Fund), therefore changing the initial profile and composition of the Funds comprised in such a Basket. If so specified in the relevant Final Terms, in the event of an occurrence of a Merger Event, an Insolvency, a De-Listing or a Substitution Event in respect of one or more of the Funds specified in the relevant Final Terms (the "**Original Funds**"), the Calculation Agent may replace such Original Fund with an alternative investment fund (a "**Replacement Fund**"); however, if the Calculation Agent is unable to select a Replacement Fund and/or a date for such substitution on the terms described in this Base Prospectus the Calculation Agent may replace an Original Fund (if so specified in the relevant Final Terms) a Replacement Fund with an index or a basket of indices (a "**Replacement Index**" or "**Replacement Assets**"), therefore changing the original profile of the Basket. The same terms and conditions may apply with respect to any Replacement Fund.

The valuation of a Fund may be based upon the unaudited financial records of the Fund and any accounts pertaining thereto. Such valuations may be preliminary calculations of the net asset value of the Fund and accounts. The valuation of a Fund may also include fair value estimates made by the relevant fund manager of the investment adviser in respect of any Fund components which are illiquid or otherwise not actively traded and in respect of which reliable prices may be difficult to obtain. Therefore, the net asset value of a Fund may be subject to subsequent substantial downward (or upward) adjustment in the event that such preliminary calculations and/or fair value estimates prove to be materially incorrect.

The performance of a Fund (and that of any fund in which the Fund may invest) is dependent on the performance of the managers of such fund in selecting investments to comprise the fund and in carrying out various strategies to seek to obtain the investment objectives of the fund. No assurance can be given: (i) that these persons will succeed in meeting the investment objectives of the relevant fund; (ii) that the strategies employed by fund management (for example, using leverage or derivatives) will not magnify adverse market developments; (iii) that any analytical model used thereby will prove to be correct or that any assessments of the short-term or long-term prospects, volatility and correlation of the types of investments in which a Fund has or may invest will prove accurate.

There are numerous additional risks relating to Instruments linked to hedge funds, and the relevant Final Terms in respect of such Instruments may include additional risk factors.

Risks relating to the Notes

Market value of Notes and potential loss of entire invested amount: the market value of the Notes may be volatile, and may be adversely affected by a number of factors, and the price at which a Holder will be able to sell Notes prior to maturity may be at a substantial discount to the market value of such Notes on the Issue Date and (depending on the level of principal protection of the relevant Notes a Holder may suffer a loss of some or up to all of the entire invested amount of the Notes redemption

The market value of Notes will be affected by a number of factors independent of the creditworthiness of the Issuer and the Guarantor, including, but not limited to:

- (i) the value and volatility of the Reference Asset(s);
- (ii) in the case of Credit Linked Notes, the creditworthiness of the Reference Entities and the value and volatility of their obligations;
- (iii) where the Reference Asset(s) is/are equity securities, the dividend rate on the Reference Asset(s) and the financial results and prospects of the issuer of each Reference Asset;
- (iv) market interest and yield rates; and
- (v) the time remaining to any redemption date or the maturity date.

In addition, the value of any Reference Asset and/or obligation of a Reference Entity may depend on a number of interrelated factors, including economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Reference Asset and/or obligation of a Reference Entity may be traded. Additionally, if the formula used to determine the amount of principal, premium and/or interest payable with respect to Notes linked to a Reference Asset contains a multiplier or leverage factor, the effect of any change in the applicable Reference Asset will be increased.

The price at which a Holder will be able to sell Notes prior to maturity may be at a discount, which could be substantial, to the market value of such Notes on the Issue Date, if, at such time, the market price of the Reference Asset(s) and/or obligation(s) of a Reference Entity is below, equal to or not sufficiently above the market price of the Reference Asset(s) and/or obligation(s) of a Reference Entity on the Issue Date. The historical market prices of any Reference Asset and/or obligation of a Reference Entity should not be taken as an indication of such Reference Asset's and/or obligation's future performance during the term of any Note.

Early Redemption of Notes: *The Notes may be redeemed prior to maturity*

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer. Such right of termination is often provided for bonds or notes in periods of high interest rates. If the market interest rates decrease, the risk to Holders that the Issuer will exercise its right of termination increases. As a consequence, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Holder. As a consequence, part of the capital invested by the Holder may be lost, so that the Holder in such case would not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

Offered Notes may also be redeemed early at the applicable Early Redemption Amount where an early redemption event is provided for in the relevant Final Terms and/or if the Holders' put option (pursuant to General Note Condition 4(e)) is specified in the relevant Final Terms to be applicable.

In addition, Notes may be redeemed early upon certain Termination Events as set out in General Note Condition 4(b) or following an event of default as set in General Note Condition 8. Instruments will be redeemable at the option of the Issuer prior to maturity for tax reasons as set out in General Note Condition 4(c). The Early Redemption Amount in respect of each Note may be less than the Nominal Amount per Note and shall (unless otherwise specified in the relevant Final Terms) be an amount determined by the Calculation Agent as representing the fair market value of such Notes immediately prior (and ignoring the circumstances leading) to such Early Redemption, adjusted to account fully for any reasonable expenses and costs of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation any equity options, equity swaps or other instruments of any type whatsoever hedging the Issuer's obligations under the Notes).

Following any such early redemption, an investor generally would not be able to reinvest the redemption proceeds at any effective interest rate as high as the interest rate on the relevant Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Amendments and Waiver to Notes: amendments and waivers may be made to the Notes pursuant to the votes of defined majorities

The General Note Conditions contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority. Further, amendments may be made to the terms and conditions of the Notes without the consent of any of the Holders in circumstances, as set out in the General Note Conditions (see General Note Condition 9).

Additional risk factors relating to Fixed Rate Notes

Investors in Fixed Rate Notes are exposed to the risk that subsequent changes in interest rates may adversely affect the value of the Notes.

Additional risk factors relating to Floating Rate Notes and/or Notes linked to a floating rate

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

Additional risk factors relating to Zero Coupon Notes

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

Risks relating to the Securities

The volatility of Securities and potential loss of some or all of the invested amount: Securities are subject to volatility and may become worthless

Securities can be volatile instruments and may involve the risk of expiring worthless. Securities are subject to a number of risks, including (i) sudden and large falls in value, (ii) changes in the price or market value of the relevant Reference Assets or reference basis of the Securities and/or changes in the circumstances of the Reference Entities or of the reference basis of the Securities, (iii) changes in the rates of exchange of any of the currencies in which the underlying securities or reference basis of the Securities are denominated and (iv) a complete or partial loss of the investment in the Securities.

The Securities involve a high degree of risk, which may include interest rate, corporate, market, foreign exchange, time value and/or political risks. Prospective purchasers of Securities should recognise that their Securities, other than any Securities having a minimum expiration value, may expire worthless and, therefore, purchasers should be prepared to sustain a total loss of the purchase price of their Securities. This risk reflects the nature of a Security as an asset which, other factors held constant, tends to decline in value over time and which may become worthless when it expires (except to the extent of any minimum expiration value if applicable with regard to the relevant Securities). See "Value and trading price of Securities: certain factors may affect the value and trading price of Securities" below. Assuming all other factors are held constant, the more a Security is "out-of-the-money" and the shorter its remaining term to expiration, the greater the risk that purchasers of such Securities will lose all or part of their investment.

The risk of the loss of some or all of the purchase price of a Security upon expiration means that, in order to recover and realise a return upon his/her investment, a purchaser of a Security must generally have correctly anticipated the direction, timing and magnitude of an anticipated change in the value of the relevant interest rates, share (or basket of shares), debt security (or basket of debt securities), index (or basket of indices), currency (or basket of currencies), commodity (or basket of commodities), fund (or basket of funds) or other basis which may be specified in the relevant Final Terms. With respect to European Style Securities, the only means through which a holder can realise value from the Security prior to the Exercise Date in relation to such Security is to sell it at its then market price in a secondary market (if available). See "Illiquidity: an active trading market for the Securities may not develop" below.

Fluctuations in the value of the relevant index or basket of indices will affect the value of index Securities. Fluctuations in the price of the relevant index component or value of the basket of indices will affect the value of index Securities. Also, due to the character of the particular markets on which securities are traded, the absence of last sale information and the limited availability of quotations for such securities may make it difficult for many investors to obtain timely and accurate data for the price or yield of such securities. Fluctuations in the value of the relevant commodity or basket of commodities will affect the value of commodity Securities. Purchasers of Securities risk losing their entire investment if the value of the relevant underlying basis of reference does not move in the anticipated direction.

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

If the formula used to determine the redemption amount payable with respect to Securities linked to a Reference Asset contains a multiplier or leverage factor, the effect of any change in the applicable Reference Asset will be increased. The historical experience of the relevant Reference Assets and/or Reference Entities should not be taken as an indication of future performance of such Reference Assets and/or Reference Entities during the term of such Security.

If additional warrants or options relating to particular non-U.S. currencies or particular currency indices are subsequently offered to the public, the supply of warrants and options relating to such non-U.S. currencies or currency indices, as applicable, in the market will increase, which could cause the price at which the Securities and such other warrants and options trade in the secondary market to decline significantly.

Fluctuations in interest rates affecting the relevant subject interest rate will affect the value of interest rate Securities. Interest rates may be affected by complex political and economic factors, including governmental action to raise or lower interest rates regardless of other market forces. Purchasers of interest rate Securities risk losing their entire investment if interest rates do not move or remain in the anticipated direction.

Prospective purchasers of Securities should be experienced with respect to options and options transactions, should understand the risks of transactions involving the relevant Securities and should reach an investment decision only after careful consideration, with their advisers, of the suitability of such Securities in the light of their particular financial circumstances, the information set forth in this Base Prospectus and the information regarding the relevant Securities and the particular Reference Asset to which the value of the relevant Securities may relate.

The Issuer may, if specified in the relevant Final Terms, vary the settlement in respect of a particular series of Securities and thereby at its sole and unfettered discretion elect not to pay the relevant Holders the Cash Settlement Amount or to deliver or procure delivery of the Entitlement to the relevant Holders, as the case may be, and in lieu thereof, deliver or procure delivery of the Entitlement or make payment of the Cash Settlement Amount on the Settlement Date to the relevant Holders.

Value and trading price of Securities: certain factors may affect the value and trading price of Securities

The Cash Settlement (in the case of cash settled Securities) or the difference in the value of the Entitlement and the Exercise Amount (the "**Physical Settlement Value**") at any time prior to expiration is typically expected to be less than the trading price of such Securities at that time. The difference between the trading price and the Cash Settlement or the Physical Settlement Value, as the case may be, will reflect, among other things, a "time value" for the Securities. The "time value" of the Securities will depend partly upon the length of the period remaining to expiration and expectations concerning the value of the Reference Asset. Securities offer hedging and investment diversification opportunities but also pose some additional risks with regard to interim value. The interim value of the Securities varies with the price and/or level of the Reference Asset, as well as by a number of other interrelated factors, including those specified in this Base Prospectus.

Before exercising or selling Securities, Holders should carefully consider, among other things, (i) the trading price of the Securities, (ii) the value and volatility of the Reference Asset, (iii) the time remaining to expiration, (iv) in the case of Cash Settled Securities, the probable range of Cash Settlement Amounts, (v) any change(s) in interim interest rates and dividend yields, (vi) any change(s) in currency exchange rates, (vii) the depth of the market or liquidity of the Reference Asset and (viii) any related transaction costs.

Transactions in off-exchange Securities may involve greater risks than dealing in exchange-traded Securities.

Limitations on Exercise: there may be a limit on the amount of Securities which may be exercised

If so indicated in the relevant Final Terms, the Issuer will have the option to limit the number of Securities exercisable on any date to the maximum number specified in the relevant Final Terms and, in conjunction with such limitation, to limit the number of Securities exercisable by any person or group of persons (whether or not acting in concert) on such date. In the event that the total number of Securities being exercised on any date exceeds such maximum number and the Issuer elects to limit the number of Securities exercisable on such date, a Holder may not be able to exercise on such date all Securities that such Holder desires to exercise. Securities to be exercised on such date will be selected at the discretion of the Issuer or in any other manner specified in the relevant Final Terms. Unless otherwise specified in the relevant Final Terms, the Securities tendered for exercise but not exercised on such date will be automatically exercised on the next date on which Securities may be exercised, subject to the same daily maximum limitation and delayed exercise provisions.

If so indicated in the relevant Final Terms, a Holder must tender a specified minimum number of Securities and integral multiples of Securities thereafter at any one time in order to exercise. Thus, Holders with fewer than the specified minimum number of Securities or specified multiples thereof will either have to sell their Securities or purchase additional Securities, incurring transaction costs in each case, in order to realise their investment. Furthermore, Holders of such Securities incur the risk that there may be differences between the trading price of such Securities and the Cash Settlement or the Physical Settlement Value (in the case of Physical Delivery Securities) of such Securities.

If specified in the relevant Final Terms, Securities which are Physical Delivery Securities may only be exercised in such amounts as will ensure that the number of relevant Reference Assets to be delivered is equal to an integral multiple of the minimum allowed trading amount of the relevant Reference Asset on the relevant stock exchange as from time to time specified by such stock exchange (the "**Minimum Trading Amount**"). Where the exercise of a holding of Physical Delivery Securities would not result in the purchase of a number of relevant Reference Asset equal to an integral multiple of the relevant Minimum Trading Amount, the Holder will receive the maximum number of relevant Reference Assets equivalent to the maximum integral multiple of the Minimum Trading Amount and may be entitled to a payment in lieu at the option of the Issuer, determined in the reasonable discretion of the Issuer acting in a commercially reasonable manner, in respect of the remaining Relevant Assets unless any such payment is of a de minimis amount, in which case, Holders shall not receive anything in respect of the remaining Securities. Holders will, therefore, either have to sell their Securities or purchase additional Securities, incurring transaction costs in each case, in order to realise their investment.

Early Redemption of Securities: the Securities may be redeemed prior to their scheduled redemption

The Securities may be redeemed early upon certain Termination Events as set out in General Security Condition 14(a) and Additional Termination Events (to the extent specified as applicable in the relevant Final Terms) as set out in General Security Condition 14(b). The early Redemption Amount in respect of each Security shall (unless otherwise specified in the relevant Final Terms) be an amount determined by the Calculation Agent as representing the fair market value of such Securities immediately prior (and ignoring the circumstances leading) to such early redemption, adjusted to account fully for any reasonable expenses and costs of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation any investment in any share or investment of any type whatsoever hedging the Issuer's obligations under the Securities).

The Securities may also be redeemed early in such circumstances and for such Redemption Amount as may be set forth in the relevant Final Terms.

Time Lag After Exercise of Securities: there will be a time lag between the time a Holder gives instructions to exercise and the time the applicable Cash Settlement Amount or the deliverable Reference Asset relating to such exercise is determined, and such time lag could decrease the Cash Settlement or the value of the deliverable Reference Asset, as the case may be

Unless otherwise specified in the relevant Final Terms, in the case of any exercise of Securities, there will be a time lag between the time a Holder gives instructions to exercise and the time the applicable Cash Settlement Amount or the deliverable Reference Asset relating to such exercise is determined. Any such delay between the time of exercise and the determination of the Cash Settlement Amount or the deliverable Reference Asset, as the case may be, will be specified in the relevant Final Terms or Conditions. However, such delay could be significantly longer, particularly in the case of a delay in exercise of Securities arising from any daily maximum exercise limitation, or following the imposition of any exchange controls, other similar regulations affecting the ability to obtain or exchange any relevant currency (or basket of currencies) or, if there is any Settlement Disruption Event, Disrupted Day, Disruption Event or Market Disruption Event on the Valuation Date or other adjustment event or the date upon which delivery of the Reference Asset(s) was due to occur. The applicable Cash Settlement or the deliverable Reference Asset, as the case may be, may change significantly during any such period, and such movement or movements could decrease the Cash Settlement or the value of the deliverable Reference Asset, as the case may be, of the Securities being exercised and, in the case of cash settled Securities, may result in such Cash Settlement being zero.

Status of the Guarantee

The Guarantee (i) is an unsecured and unsubordinated general obligation of the Guarantor; (ii) is not a savings account or deposit of the Guarantor or any bank or non-bank subsidiary of the Guarantor; and (iii) is not insured by the U.S. Federal Deposit Insurance Corporation (the "FDIC"), the U.S. Deposit Insurance Fund or any other governmental agency or instrumentality. The Guarantee is not an obligation of the Guarantor's parent company, JPMorgan Chase, or any of the Guarantor's other affiliates. The Guarantee will rank *pari passu* with all other unsecured and unsubordinated indebtedness of the Guarantor except obligations, including U.S. domestic deposits, that are subject to any priorities or preferences by law. Unless otherwise specified in the applicable Final Terms, the Guarantee is not guaranteed under the FDIC's Temporary Liquidity Guarantee Program.

In particular, U.S. federal legislation adopted in 1993 provides for a preference in right of payment of certain claims made in the liquidation or other resolution of any FDIC-insured depository institution. The statute requires claims to be paid in the following order:

- first, administrative expenses of the receiver;
- second, any deposit liability of the institution;
- third, any other general or senior liability of the institution not described below;
- fourth, any obligation subordinated to depositors or general creditors not described below; and

- fifth, any obligation to shareholders or members (including any depository institution holding company or any shareholder or creditor of such company).

For purposes of the above mentioned U.S. federal legislation, deposit liabilities include any deposit payable at an office of the insured depository institution in the United States. They do not include international banking facility deposits or deposits payable at an office of the insured depository institution outside the United States.

Prospective investors who consider purchasing any Instruments should reach an investment decision only after carefully considering the suitability of such Instruments in light of their particular circumstances.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, JPMSP, subject to compliance with all relevant laws, regulations and directives, may from time to time issue (i) debt securities, including Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Other Variable Linked Interest Notes, Other Variable Linked Redemption Notes, Index Linked Interest Notes, Index Linked Redemption Notes, Equity Linked Interest Notes, Equity Linked Redemption Notes, Credit Linked Interest Notes, Credit Linked Redemption Notes, Instalment Notes, Dual Currency Interest Notes, Dual Currency Redemption Notes, Partly Paid Notes, Inflation Linked Interest Linked Notes, Inflation Linked Redemption Notes, Commodity Linked Interest Notes, Commodity Linked Redemption Notes, Foreign Exchange Linked Interest Notes, Foreign Exchange Linked Redemption Notes, Fund Linked Interest Notes, Fund Linked Redemption Notes, a combination of any of the foregoing or any other kind of Note, and (ii) Warrants or Certificates or other similar instruments, including Index Linked Securities, Equity Linked Securities, Commodity Linked Securities, Foreign Exchange Linked Securities, Fund Linked Securities, Other Variable Linked Securities. Instruments will be guaranteed by JPMCB.

Subject to compliance with all applicable laws, regulations and directives, Notes may have any maturity between one day and 30 years and may be denominated in any currency and may have a denomination per Unit of less than EUR 50,000 (or the equivalent thereof in any other currency). The aggregate nominal amount of Notes outstanding at any one time is subject to a maximum amount of USD 1,000,000,000 (or the equivalent thereof in any other currencies at the date of issue). There is no limit on the amount of Securities which may be outstanding. Securities may be issued under the Programme which may be acquired on issue for a total consideration of less than EUR 50,000 per Security.

BNP Paribas Securities Services (or as otherwise specified in the relevant Final Terms) will act as Principal Agent, French Fiscal Agent and French Paying Agent and BNP Paribas Securities Services C/o BNP Paribas, Amsterdam Branch will act as Dutch Paying Agent, with respect to the Notes.

The terms and conditions of the Notes are set out in the "**General Note Conditions**" and will be completed and amended by the relevant Final Terms. The terms and conditions of the Securities are set out in the "**General Security Conditions**" and will be completed and amended by the relevant Final Terms. References in this Base Prospectus to "**Conditions**" are references to the General Note Conditions or the General Security Conditions, as the case may be.

IMPORTANT INFORMATION

Without prejudice to the paragraph immediately below, each of the Issuer and the Guarantor accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Issuer and the Guarantor (which have taken reasonable care to ensure that such is the case), the information contained in this Base Prospectus for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Prospectus contains certain information relating to the Reference Assets and/or Reference Entities. This information has been compiled from information sourced from a third party, and has not been commented on or verified by the Issuer or the Guarantor. The Issuer and the Guarantor confirm that such information has been accurately produced from such sources and, so far as the Issuer and the Guarantor are aware from information published by third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, as the underlying information has been prepared by parties other than the Issuer or the Guarantor, the Issuer and the Guarantor cannot assume responsibility for the accuracy of such underlying information or that there has not occurred any event which would affect the accuracy or completeness of such information.

Moreover, none of the Issuer, the Guarantor or the Dealer (or any other entity in the JPMorgan Group) accepts responsibility in respect of the accuracy or completeness of the information set forth in the relevant Final Terms concerning the Reference Assets and/or Reference Entities and their obligations or that there has not occurred any event which would affect the accuracy or completeness of such information. Further, the relevant Final Terms may include tables showing the high and low levels or prices (as applicable) of the Reference Assets (if any) for the periods indicated. While such tables provide some historical data regarding the risks of investing in the Reference Assets, past results are not necessarily indicative of future performance. Prospective purchasers of the relevant Instruments are advised to consult their own legal, tax, accountancy and other professional advisers to assist them in determining the suitability of the relevant Instruments for them as an investment. Each prospective purchaser of the relevant Instruments should be fully aware of and understand the complexity and risks inherent in the relevant Instruments before it makes its investment decision in accordance with the objectives of its business.

Under the Guarantee, the Guarantor irrevocably and unconditionally guarantees the due and punctual settlement of all obligations of JPMSP under the Instruments issued by JPMSP under the Programme. The Guarantee (i) is an unsecured and unsubordinated general obligation of the Guarantor; (ii) is not a savings account or deposit of the Guarantor or any bank or non-bank subsidiary of the Guarantor; and (iii) is not insured by the U.S. Federal Deposit Insurance Corporation (the "FDIC"), the U.S. Deposit Insurance Fund or any other governmental agency or instrumentality. The Guarantee is not an obligation of the Guarantor's parent company, JPMorgan Chase, or any of the Guarantor's other affiliates. The Guarantee will rank *pari passu* with all other unsecured and unsubordinated indebtedness of the Guarantor except obligations, including U.S. domestic deposits, that are subject to any priorities or preferences by law. Unless otherwise specified in the applicable Final Terms, the Guarantee is not guaranteed under the FDIC's Temporary Liquidity Guarantee Program.

An investment in Instruments is subject to a very high degree of complex risks which may arise without warning, may at times be volatile and losses may occur quickly and in unanticipated magnitude. Instruments are extremely speculative and investors bear the risk that they could lose all of their investment. No person should acquire any Instruments unless that person understands the nature of the relevant transaction and the extent of that person's exposure to potential loss and has a valid business purpose for acquiring such Instruments and any investment in such Instruments is consistent with such person's overall investment strategy. Each prospective purchaser of the Instruments should consider carefully whether the Instruments it considers acquiring are suitable for it in the light of such prospective purchaser's investment objectives, financial capabilities and expertise. Prospective purchasers of the Instruments should consult their own business, financial, investment, legal, accounting, regulatory, tax and other professional advisers to assist them in determining the suitability of the Instruments for them as an investment. See "Risk Factors".

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Instruments and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any of the Dealers or the Arranger (as defined in "Summary"). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantor since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer or the Guarantor, since the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and the offering or sale of the Instruments in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Guarantor, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The publication of this Base Prospectus is not intended as an offer or solicitation for the purchase or sale of any financial instrument in any jurisdiction where such offer or solicitation would violate the laws of such jurisdiction. Neither the Instruments nor the Guarantee have been or will be registered under the Securities Act. Notes may not be offered, sold, transferred, pledged, assigned, delivered or redeemed within the United States or to or for the account or benefit of any U.S. Person. The Instruments are being offered and sold outside the United States to non-U.S. Persons in reliance on the registration exemptions contained in Regulation S and Section 3(a)(2) under the Securities Act. For a description of certain restrictions on offers and sales of Instruments and on distribution of this Base Prospectus, see "Subscription and Sale".

The Instruments have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC"), any state securities commission in the United States, the CFTC, any U.S. federal or state banking authority or any other U.S. regulatory authority nor has any of the foregoing authorities passed upon or endorsed the merits of the offering of Instruments or the accuracy or the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States. This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor or the Dealer to subscribe for, or purchase, any Instruments in the U.S.

Each prospective purchaser of Instruments and such purchaser's employees, representatives, or other agents may disclose to any and all persons, without limitation of any kind, the U.S. federal income tax treatment and tax structure of the offering of Instruments pursuant to this Base Prospectus and all materials of any kind (including any opinions or other tax analyses provided) relating to such U.S. federal income tax treatment and tax structure.

J.P. Morgan Securities Ltd. ("JPMSL" or the "Arranger") and the Dealers have not separately verified the information contained in this Base Prospectus. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. This Base Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantor, the Arranger or the Dealers that any recipient of this Base Prospectus should purchase the Instruments. Each potential purchaser of Instruments should determine for himself the relevance of the information contained in this Base Prospectus and any purchase of Notes should be based upon such investigation as such potential purchaser deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of either of the Issuer or the Guarantor during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Instruments of any information coming to the attention of any of the Dealers or the Arranger.

In connection with the issue of any Tranche of Instruments, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the

relevant Final Terms may over-allot Instruments or effect transactions with a view to supporting the market price of the Instruments at a level higher than that which might otherwise prevail. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Instruments is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Instruments and 60 days after the date of the allotment of the relevant Tranche of Instruments. Any stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.

In connection with the issue of any Tranche or Series of the Instruments, the Issuer or the Dealer may decide, on a case by case basis, to enter into liquidity arrangements relating to such Tranches or Series to be issued.

Each prospective purchaser of Instruments must ensure that the complexity and risks inherent in the Instruments are suitable for such prospective purchaser's objectives and, if applicable, the size, nature and condition of such purchaser's business.

Capitalised terms used in this Base Prospectus shall be as defined in "General Note Conditions" or in "General Security Conditions" (as applicable) unless otherwise specified.

An index of defined terms is set out on pages 266 to 278 of this Base Prospectus.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to "U.S.\$", "USD", "\$" and "U.S. Dollars" are to United States dollars, to "Euro", "euro" and "€" are to the currency introduced at the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, and to "Sterling" and "£" are to the currency of the United Kingdom.

INFORMATION INCORPORATED BY REFERENCE

The information contained in the documents listed under Sections 1 and 2 below (to the extent it appears in the tables below) shall be deemed to be incorporated in, and form part of this Base Prospectus.

Following publication of any update or amendment to the below documents, the Issuer will, to the extent necessary under article 16 of the Prospectus Directive and/or under article 5:23 of the Dutch Financial Supervision Act *Wet op het financieel toezicht*, prepare a supplement to this Base Prospectus.

The tables below set out the relevant page references for the information incorporated herein by reference. Any information not listed below but included in the documents below is included for information purposes only and is not incorporated herein:

1. INFORMATION ON JPMORGAN STRUCTURED PRODUCTS B.V. ("JPMSP")

(a) the 2007 JPMSP Report (Document No.1) which contains:

Director's report	Pages 1-3
Financial statements (balance sheet, income statement, statement of changes in equity, cash flow statement, notes to the financial statements)	Pages 4-18
Other information	Page 19
Auditor's report	Page 20

(b) the audited financial statements of JPMSP for the period from 1 January 2008 to 31 December 2008 (Document No.2) which contains:

Balance Sheet	Page 2
Income Statement	Page 3
Statement of Changes in Equity	Page 4
Cash Flow Statement	Page 5
Notes to the interim financial statements	Pages 6 to 10

2. INFORMATION ON JPMORGAN CHASE BANK, NA ("JPMCB" OR "GUARANTOR")

(a) the Consolidated Financial Statements of JPMCB for the three years ended 31 December 2007 (Document No.3) which contains:

Report of Independent Registered Public Accounting Firm	Page 1
Consolidated financial statements	
Consolidated statements of income	Page 2
Consolidated balance sheets	Page 3
Consolidated statements of changes in stockholder's equity and comprehensive income	Page 4
Consolidated statements of cash flows	Page 5
Notes to consolidated financial statements	Pages 6-73
Supplementary Information	
Selected quarterly financial data (unaudited)	Page 74
Selected annual financial data (unaudited)	Page 74
Glossary of Terms	Pages 76-77

- (b) the Consolidated Financial Statements of JPMCB for the three years ended 31 December 2008 (Document No.4), which contains:

Report of Independent Registered Public Accounting Firm	Page 1
Consolidated financial statements	
Consolidated statements of income	Page 2
Consolidated balance sheets	Page 3
Consolidated statements of changes in stockholder's equity and comprehensive income	Page 4
Consolidated statements of cash flows	Page 5
Notes to consolidated financial statements	Pages 6-88
Supplementary Information	
Selected quarterly financial data (unaudited)	Page 89
Selected annual financial data (unaudited)	Page 90
Glossary of Terms	Pages 91-93

3. INFORMATION ON JPMORGAN CHASE & CO ("JPMorgan Chase")

The following list of documents incorporated by reference in this Base Prospectus refers to reports filed by JPMorgan Chase with the U.S. Securities and Exchange Commission (the "SEC"). These SEC filings contain extensive information concerning JPMCB, which is a principal bank subsidiary of JPMorgan Chase. Although the incorporation of reference of these SEC filings in this Base Prospectus is not strictly required by the Prospectus Directive, the information contained in these documents is deemed by JPMCB to be material to an investor's consideration of the business, financial condition and results of operations of JPMCB.

- (a) the Annual Report on Form 10-K of JPMorgan Chase for year ended 31 December 2007 (Document No.5) which contains:

Business Overview, Legal Proceedings, Risk Factors	Page 1 to 18
Management's Discussion and analysis of financial conditions and results of operations	Pages 27 to 101
Consolidated Statements of Income, Internal Controls, Loan and Deposit Information	Pages 102 to 178
Supplementary information	Pages 179 to 210

- (b) the Annual Report on Form 10-K of JPMorgan Chase & Co. for the year ended December 31, 2008 (Document N°6) which contains

Item 1 – Business	Page 1
Overview	Page 1
Business segments	Page 1
Competition	Page 1
Supervision and regulation	Page 1 - 4
Distribution of assets, liabilities and stockholders' equity; interest rates and interest differentials	Page 222-226
Return on equity and assets	Page 26, 216-217, 222
Securities portfolio	Page 227
Loan portfolio	Page 82-96, 163-166, 228-232
Summary of loan and lending-related commitments loss experience	Page 96-99, 166-168, 233-234
Deposits	Page 191, 233

Short-term and other borrowed funds	Page 235
Item 1A – Risk factors	Page 4–10
Item 1B – Unresolved SEC Staff comments	Page 10
Item 2 – Properties	Page 10–11
Item 3 – Legal proceedings	Page 11–16
Item 4 – Submission of matters to a vote of security holders	Page 16
Executive officers of the Registrant	Page 16–17
Item 5 – Market for Registrant’s common equity, related stockholder matters and issuer purchases of equity securities	Page 17–18
Item 6 – Selected financial data	Page 18
Item 7 – Management’s discussion and analysis of financial condition and results of operations	Page 18
Item 7A – Quantitative and qualitative disclosures about market risk	Page 18
Item 8 – Financial statements and supplementary data	Page 18
Item 9 – Changes in and disagreements with accountants on accounting and financial disclosure	Page 18
Item 9A – Controls and procedures	Page 18
Item 9B – Other information	Page 18
Item 10 – Directors, executive officers and corporate governance	Page 19
Item 11 – Executive compensation	Page 19
Item 12 – Security ownership of certain beneficial owners and management and related stockholder matters	Page 19
Item 13 – Certain relationships and related transactions, and Director independence	Page 19
Item 14 – Principal accounting fees and services	Page 19
Item 15 – Exhibits, financial statement schedules	Page 19–22
Exhibit 4.1.A – Indenture	
Exhibit 4.1.C – Fifth supplemental indenture	
Exhibit 4.4.A – Junior subordinated indenture	
Exhibit 10.3 – Post-retirement compensation plan for non-employee directors	
Exhibit 10.4 – 2005 deferred compensation program	
Exhibit 10.7 – Excess retirement plan	
Exhibit 10.8 – 1995 stock incentive plan	
Exhibit 10.9 – Executive retirement plan	
Exhibit 10.10 – Amendment to bank one corporation director stock plan	
Exhibit 10.12 – Bank one corporation stock performance plan	
Exhibit 10.13 – Bank one corporation supplemental savings and investment plan	
Exhibit 10.14 – Banc one corporation 1989 stock incentive plan	
Exhibit 10.15 – Banc one corporation 1995 stock incentive plan	
Exhibit 10.20 – Form of long-term incentive plan terms and conditions for stock appreciation rights	
Exhibit 10.21 – Form of long term incentive plan	

terms and conditions for operating committee member stock appreciation rights
Exhibit 10.22 – Form of long term incentive plan terms and conditions for restricted stock units
Exhibit 10.23 – Form of long term incentive plan terms and conditions for operating committee restricted stock units
Exhibit 12.1 – Computation of ratio of earnings to fixed charges
Exhibit 12.2 – Computation of ratio of earnings to fixed charges and preferred stock dividend requirements
Exhibit 21.1 – List of subsidiaries of JPMORGAN CHASE & CO.
Exhibit 23.1 – Consent of independent registered public accounting firm
Exhibit 31.1 – Certification
Exhibit 31.2 – Certification
Exhibit 32 – Certification

This Base Prospectus, each supplement hereto, any information incorporated by reference herein and the Final Terms with respect to any issue of Instruments admitted to Euronext Amsterdam by NYSE Euronext will be published on and available electronically from the JPMorgan's website (www.jpmorgansp.com) free of charge during the life of this Base Prospectus. A copy will also be available free of charge from the office of the Issuer, Strawinskylaan 3105, Atrium 7th Floor, 1077 ZX Amsterdam, The Netherlands.

Any statement contained herein or in a document incorporated by reference herein shall be modified or superseded for purposes of this Base Prospectus to the extent that a statement contained in any supplement to this Base Prospectus (or contained in any document incorporated by reference therein) modifies or supersedes such statement.

Any documents which are incorporated by reference into the documents listed above shall not constitute a part of this Prospectus.

JPMorgan Chase's filings with the SEC are available to the public on the website maintained by the SEC at <http://www.sec.gov>. Such filings can also be inspected and printed or copied, for a fee, at the SEC's Office of Public Reference, 100 F Street N.E., Washington, D.C. 20549, U.S.A., or by contacting that office by phone: +001 202 942 8090, fax: +001 202 628 9001 or e-mail: publicinfo@sec.gov. Investors may call the SEC at +001 800 732 0330 for further information on the public reference rooms. JPMorgan Chase's SEC filings can also be viewed on JPMorgan Chase's website at <http://investor.shareholder.com/jpmorganchase/>. Unless specifically incorporated by reference in this Base Prospectus, JPMorgan Chase's filings with the SEC shall not be deemed to be part of this Base Prospectus.

JPMCB also files Consolidated Reports of Condition and Income ("**Call Reports**") with its primary federal regulator, the U.S. Office of the Comptroller of the Currency ("OCC"). The Call Reports are publicly available upon written request to the U.S. Federal Deposit Insurance Corporation ("**FDIC**") at 550 17th Street, N.W., Washington D.C. 20429, Attention: Disclosure Group, Room F-518. The FDIC also has a website where the Call Reports can be viewed, at <http://www.fdic.gov>. The Call Reports are prepared in accordance with regulatory instructions issued by the U.S. Federal Financial Institutions Examinations Council and not U.S. generally accepted accounting principles. The Call Reports are supervisory and regulatory documents; they are not primarily accounting documents, do not conform with U.S. generally accepted accounting principles and do not provide a complete range of financial disclosure about JPMCB. Nevertheless, the Call Reports do provide important information concerning

the financial condition of JPMCB. The Call Reports are not incorporated by reference in, and shall not be deemed to be part of, this Base Prospectus.

Copies of the documents incorporated by reference in this Base Prospectus can also be viewed at the office of the Document Viewing Facility of the UK Listing Authority at 25 The North Colonnade, Canary Wharf, London E14 5HS, or on the website of the Luxembourg Stock Exchange at www.bourse.lu.

SELECTED FINANCIAL INFORMATION

JPMorgan Structured Products B.V.

The selected consolidated financial data set forth in the below table have been extracted from:

- the audited consolidated financial statements of JPMSP for the year ended December 31, 2008 and December 31, 2007.

This data should be read in conjunction with the detailed financial information of JPMSP incorporated by reference in this Base Prospectus, including the Notes to the consolidated financial statements statements which are an integral part thereof.

SELECTED BALANCE SHEET DATA

		31 December	31 December
		2008	2007
	Notes	\$'000	\$'000
Assets			
Deferred taxation			
Current assets			
Financial assets held for trading	4	17,002,231	980,538
Trade and other receivables	5	123,702	560
Current tax assets		3,991	4,378
Cash and cash equivalents	6	571,429	519,594
Total assets		17,701,353	1,505,070
Liabilities			
Current liabilities			
Financial liabilities designated at fair value through profit or loss	7	17,002,231	980,538
Trade and other payables	8	24,689	10,153
Bank overdraft	6	150,948	77
Total liabilities		17,177,868	990,768
Equity			
Capital and reserves attributable to equity shareholders of the Company			
Share capital	9	26	26
Share premium reserve		499,997	499,997
Legal reserve		2	4
Retained earnings		23,460	14,275
Total equity		523,485	514,302
Total liabilities and equity		17,701,353	1,505,070

SELECTED INCOME STATEMENT DATA

		31 December	6 November 2006 to 31 December
	Notes	2008 \$'000	2007 \$'000
Trading profit– financial assets held for trading	11		
Fee and commission income	10	4,652	485
Fee and commission expense	10	(2,016)	(6)
Administrative expenses		(2,430)	(441)
Net foreign exchange gain / (loss)		22	(330)
Operating profit/(loss)	11	228	(292)
Interest and similar income	12	12,613	19,598
Interest expense	13		(1)
Profit before income tax		12,841	19,305
Income tax expense	14	(3,658)	(5,026)
Profit for the year attributable to equity shareholders of the Company		9,183	14,279

JPMorgan Chase Bank, N.A.

The selected consolidated financial data set forth in the below table have been extracted from

- the audited consolidated financial statements of JPMCB for the years ended December 31, 2008 and December 31, 2007.

This data should be read in conjunction with the detailed financial information of JPMCB incorporated by reference in this Base Prospectus, including the Notes to the consolidated financial statements of JPMCB which are an integral part thereof.

CONSOLIDATED BALANCE SHEET DATA

December 31, (in millions, except share data)	2008	2007
Assets		
Cash and due from banks	\$ 25,502	\$ 38,696
Deposits with banks	127,623	11,751
Federal funds sold and securities purchased under resale agreements (included \$19,865 and \$18,063 at fair value at December 31, 2008 and 2007, respectively)	199,716	192,145
Securities borrowed (included \$3,381 and zero at fair value at December 31, 2008 and 2007, respectively)	42,658	44,051
Trading assets (included assets pledged of \$118,079 and \$91,607 at December 31, 2008 and 2007, respectively)	365,365	390,459
Securities (included \$199,710 and \$82,467 at fair value at December 31, 2008 and 2007, respectively and assets pledged of \$26,376 and \$10,094 at December 31, 2008 and 2007, respectively)	199,744	82,511
Loans (included \$6,038 and \$8,156 at fair value at December 31, 2008 and 2007, respectively)	662,312	461,662
Allowance for loan losses	(17,153)	(7,015)
Loans, net of allowance for loan losses	654,159	454,647
Accrued interest and accounts receivable	44,345	25,921
Premises and equipment	9,161	8,448
Goodwill	27,371	25,819
Other intangible assets:		
Mortgage servicing rights	9,236	8,632
Purchased credit card relationships	128	189
All other intangibles	3,346	3,342
Other assets (included \$1,780 and \$1,632 at fair value at December 31, 2008 and 2007, respectively)	46,888	32,277
Total assets	\$ 1,746,242	\$ 1,318,888
Liabilities		
Deposits (included \$5,605 and \$6,456 at fair value at December 31, 2008 and 2007, respectively)	\$ 1,055,765	\$ 772,087
Federal funds purchased and securities loaned or sold under repurchase agreements (included \$2,968 and \$5,768 at fair value at December 31, 2008 and 2007, respectively)	180,716	118,555
Other borrowed funds (included \$2,714 and \$10,326 at fair value at December 31, 2008 and 2007, respectively)	94,953	23,276
Trading liabilities	142,409	143,509
Accounts payable and other liabilities (including the allowance for lending-related commitments of \$656 and \$849 at December 31, 2008 and 2007, respectively, and zero and \$25 at fair value at December 31, 2008 and 2007, respectively)	67,014	60,011
Beneficial interests issued by consolidated variable interest entities (included \$1,364 and \$2,727 at fair value at December 31, 2008 and 2007, respectively)	4,156	6,929
Long-term debt (included \$34,924 and \$56,932 at fair value at December 31, 2008 and 2007, respectively)	71,862	87,575
Junior subordinated deferrable interest debentures held by trusts that issued guaranteed capital debt securities	600	600
Total liabilities	1,617,475	1,212,542
Commitments and contingencies (see Note 29 on page 79 of the Consolidated Financial Statements)		
Stockholder's equity		
Preferred stock (\$1 par value; authorized 15,000,000 shares at December 31, 2008 and 2007; issued 0 shares at December 31, 2008 and 2007, respectively)	—	—
Common stock (\$12 par value; authorized 150,000,000 shares and 148,765,000 at December 31, 2008 and 2007; respectively, issued 148,761,243 shares at December 31, 2008 and 2007, respectively)	1,785	1,785

Capital surplus	77,254	62,439
Retained earnings	52,309	42,808
Accumulated other comprehensive income (loss)	(2,581)	(686)
Total stockholder's equity	128,767	106,346
Total liabilities and stockholder's equity	\$ 1,746,242	\$ 1,318,888

CONSOLIDATED INCOME STATEMENT DATA

Year ended December 31, (in millions)	2008	2007
Revenue		
Investment banking fees	\$ 2,675	\$ 3,468
Principal transactions	5,016	7,691
Lending & deposit-related fees	5,073	3,877
Asset management, administration and commissions	9,594	9,776
Securities gains (losses)	1,328	50
Mortgage fees and related income	3,557	2,094
Credit card income	3,569	3,123
Other income	2,417	1,551
Noninterest revenue	33,229	31,630
Interest income	57,437	58,840
Interest expense	25,920	35,703
Net interest income	31,517	23,137
Total net revenue	64,746	54,767
Provision for credit losses	16,238	4,672
Noninterest expense		
Compensation expense	17,122	16,126
Occupancy expense	2,659	2,378
Technology, communications and equipment expense	3,663	3,361
Professional & outside services	4,277	3,620
Marketing	631	643
Other expense	8,091	6,997
Amortization of intangibles	612	679
Merger costs	229	194
Total noninterest expense	37,284	33,998
Income from continuing operations before income tax expense	11,224	16,097
Income tax expense	2,711	5,365
Income from continuing operations	8,513	10,732
Income from discontinued operations	—	—
Income before extraordinary gain	8,513	10,732
Extraordinary gain	1,906	—
Net income	\$ 10,419	\$ 10,732

JPMorgan Chase & Co.

The selected consolidated financial data set forth in the below table information refers to JPMorgan Chase. JPMCB is a principal bank subsidiary of JPMorgan Chase. Although the provision of such information in this Base Prospectus is not strictly required by the Prospectus Directive, the information contained hereafter is deemed by JPMCB to be material to an investor's consideration of the business, financial condition and results of operations of JPMCB.

The selected consolidated financial data set forth in the below table have been extracted from

- the audited consolidated financial statements of JPMorgan Chase for the years ended December 31, 2008 and December 31, 2007.

This data should be read in conjunction with the detailed financial information of JPMorgan Chase incorporated by reference in this Base Prospectus, including the Notes to the consolidated financial statements of JPMorgan Chase which are an integral part thereof.

SELECTED BALANCE SHEET DATA

(in millions)

As of or for the year ended December 31,

2008

2007

Selected balance sheet data (period-end)

Trading assets	\$	509,983	\$	491,409
Securities		205,943		85,450
Loans		744,898		519,374
Total assets		2,175,052		1,562,147
Deposits		1,009,277		740,728
Long-term debt		252,094		183,862
Common stockholders' equity		134,945		123,221
Total stockholders' equity		166,884		123,221

SELECTED INCOME STATEMENT DATA

	(in millions)	(in millions)
	Year ended December 31,	Year ended December 31,
	2008	2007
Total net revenue	\$ 67,252	\$ 71,372
Provision for credit losses	20,979	6,864
Total noninterest expense	43,500	41,703
Income before extraordinary gain	3,699	15,365
Extraordinary gain	1,906	—
Net income	5,605	15,365
 Diluted earnings per share		
Income before extraordinary gain	\$ 0.84	\$ 4.38
Net income	1.37	4.38
 Return on common equity		
Income before extraordinary gain	2%	13%
Net income	4%	13%

GENERAL NOTE CONDITIONS

The following is the text of the terms and conditions of the Notes (these "General Note Conditions") that, subject to completion and amendment in accordance with the provisions of the relevant Final Terms shall be applicable to the Notes. All capitalised terms that are not defined in these General Note Conditions will have the meanings given to them in the relevant Final Terms. References in these General Note Conditions to "Note" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are issued with the benefit of an agency agreement (as amended and/or supplemented and/or restated as at the Issue Date, the "**Agency Agreement**") dated 23 April 2009, between J.P. Morgan Structured Products B.V. ("**JPMSP**") (the "**Issuer**") and JPMorgan Chase Bank, N.A. ("**JPMCB**") as guarantor (the "**Guarantor**"), BNP Paribas Securities Services as fiscal agent and the other agents named in it and with the benefit of a Guarantee (as amended and/or supplemented and/or restated as at the Issue Date, the "**Guarantee**") dated 23 April 2009 executed by JPMCB irrevocably and unconditionally guaranteeing the due and punctual settlement of all obligations of JPMSP under the Notes. The fiscal agent, the paying agents, the registration agent, the calculation agent(s) for the time being (if any) and the delivery agent are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Registration Agent**", the "**Calculation Agent(s)**" and the "**Delivery Agent**". Copies of the Agency Agreement and the Guarantee are available for inspection at the specified offices of each of the Paying Agents.

For the purpose of these General Note Conditions, "**Regulated Market**" means any regulated market situated in a Member State of the European Economic Area (as defined in the Markets in Financial Instruments Directive 2004/39/EC).

1. **Form, Denomination and Title**

(a) **Form**

The Notes are issued in dematerialised form.

Title to the Notes will be evidenced in accordance with Article L. 211-4 of the *French Code monétaire et financier* by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R. 211-7 of the *French Code monétaire et financier*) will be issued in respect of the Notes.

The Notes are issued, at the option of the Issuer, (i) in either bearer dematerialised form (*au porteur*), and will be inscribed in the books of Euroclear France ("**Euroclear France**") (acting as central depository) which shall credit the accounts of Account Holders, or (ii) in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Holder in either administered form (*au nominatif administré*) inscribed in the books of an Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or the registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "**Registration Agent**").

For the purpose of these General Note Conditions, "**Account Holder**" means any authorised financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. ("**Euroclear**") and the depository bank for Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**").

(b) **Denomination**

Notes shall be issued in the specified denomination as set out in the relevant Final Terms (the "**Specified Denomination**"). The Notes shall be issued in one Specified Denomination only.

(c) **Title**

Title to the Notes in bearer dematerialised form (*au porteur*) and in administered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of Account Holders. Title to the Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or the Registration Agent.

In these General Note Conditions, "**Holder**" or "**holder**" means the person whose name appears in the account of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes.

2. **Guarantee and Status of the Notes**

(a) ***Guarantee***

In accordance with, and subject to the terms of, the Guarantee, JPMCB has irrevocably and unconditionally guaranteed the due and punctual settlement of all obligations of JPMSP under the Notes issued by JPMSP under the Agency Agreement. The Guarantee (i) is an unsecured and unsubordinated general obligation of JPMCB; (ii) is not a savings account or deposit of JPMCB or any bank or non-bank subsidiary of JPMCB; and (iii) is not insured by the U.S. Federal Deposit Insurance Corporation, the U.S. Deposit Insurance Fund or any other governmental agency or instrumentality. The Guarantee is not an obligation of the JPMCB's parent company, JPMorgan Chase & Co., or any of JPMCB's other affiliates. The Guarantee will rank *pari passu* with all other unsecured and unsubordinated indebtedness of JPMCB except obligations, including U.S. domestic deposits, that are subject to any priorities or preferences by law.

(b) ***Status of Notes***

The Notes will constitute general, unconditional, unsecured (subject to provisions of General Note Condition 2(a)) and unsubordinated obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and (subject to such exceptions as are from time to time mandatory under applicable law) equally and rateably with all present or future unsecured and unsubordinated obligations of the Issuer.

3. **Interest and other Calculations**

(a) ***Interest on Fixed Rate Notes***

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date, and the amount of interest payable on each interest payment date(s) specified in the relevant Final Terms (each an "**Interest Payment Date**") shall be the Fixed Coupon Amount or, if applicable, the "**Broken Amount**" specified in the relevant Final Terms.

If interest is required to be calculated for a Note for a period other than an Interest Period, such interest shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, and rounding the resultant figure in accordance with General Note Condition 3(g)(iii) (but otherwise, the Day Count Fraction shall not apply).

(b) ***Interest on Floating Rate Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Commodity Linked Interest Notes, Foreign Exchange Linked Interest Notes, Fund Linked Interest Notes, Credit Linked Interest Notes, Inflation Linked Interest Notes, Dual Currency Interest Notes and Other Variable Linked Interest Notes***

(i) **Interest Payment Dates**

Each Floating Rate Note, Index Linked Interest Note and Equity Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest,

such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) Business Day Convention

If any date referred to in these General Note Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day. Notwithstanding the foregoing, where the applicable Final Terms specifies that the relevant Business Day Convention is to be applied on an "unadjusted" basis, the Interest Amount payable on any date shall not be affected by the application of the Business Day Convention.

(iii) Rate of Interest for Floating Rate Notes

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (a), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the relevant ISDA Definitions (as set forth in the relevant Final Terms), and under which:

- (x) the Floating Rate Option is as specified in the relevant Final Terms;
- (y) the Designated Maturity is a period specified in the relevant Final Terms;
and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

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

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

(x) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:

- (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
- (ii) the arithmetic mean of the Relevant Rates of the entities whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date;

(y) if the Primary Source for the Floating Rate is Reference Banks or if subparagraph (x)(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if subparagraph (x)(ii) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of the five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in the Euro-zone as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (i) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (ii) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin or Maximum Rate of Interest or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(iv) Rate of Interest and/or Interest Amount for Index Linked Interest Notes

The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period and/or the Interest Amount payable on any Interest Payment Date shall be determined in the manner specified in the relevant Final Terms and interest will accrue

by reference to an Index and/or Index Basket and/or Formula as specified in the relevant Final Terms.

(v) **Rate of Interest and/or Interest Amount for Equity Linked Interest Notes**

The Rate of Interest in respect of Equity Linked Interest Notes for each Interest Accrual Period and/or the Interest Amount payable on any Interest Payment Date shall be determined in the manner specified in the relevant Final Terms and interest will accrue by reference to a Share and/or Share Basket and/or Formula as specified in the relevant Final Terms.

(vi) **Rate of Interest and/or Interest Amount for Commodity Linked Interest Notes, Foreign Exchange Linked Interest Notes, Fund Linked Interest Notes, Credit Linked Interest Notes, Inflation Linked Interest Notes, Dual Currency Interest Notes and Other Variable Linked Interest Notes**

The Rate of Interest in respect of Commodity Linked Interest Notes, Foreign Exchange Linked Interest Notes, Fund Linked Interest Notes, Credit Linked Interest Notes, Inflation Linked Interest Notes and Other Variable Linked Interest Notes for each Interest Accrual Period and/or the Interest Amount payable on any Interest Payment Date shall be determined in the manner specified in the relevant Final Terms and interest will accrue by reference to such Reference Asset(s) and/or formula as specified in the relevant Final Terms.

(c) ***Zero Coupon Notes***

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount (as defined in General Note Condition 4(b)) of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in General Note Condition 4(b)(i)).

(d) ***Dual Currency Notes***

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

(e) ***Partly Paid Notes***

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the relevant Final Terms.

(f) ***Accrual of Interest***

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgement) at the Rate of Interest in the manner provided in this General Note Condition 3 to the Relevant Date (as defined in General Note Condition 6).

(g) ***Margin, Maximum/Minimum Rates of Interest, Instalment Amounts, Redemption Amounts and Rounding***

- (i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph;

- (ii) If any Maximum or Minimum Rate of Interest or Instalment Amount is specified in the relevant Final Terms, then any Rate of Interest or Instalment Amount shall be subject to such maximum or minimum, as the case may be;
- (iii) For the purposes of any calculations required pursuant to these General Note Conditions (unless otherwise specified in the relevant Final Terms), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency and in the case of euro means euro 0.01.

(h) ***Calculations***

The amount of interest payable in respect of any Note other than a Fixed Rate Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(i) ***Determination and Publication of Rates of Interest or any amount or adjustment by the Calculation Agent***

As soon as practicable after any relevant time (which, in respect of an Interest Determination Date shall be the applicable Relevant Time) on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation or adjustment to the terms of the Notes, it shall determine such rate or amount and calculate the Interest Amounts of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Redemption Amount, Early Redemption Amount, Optional Redemption Amount, Instalment Amount, Reference Asset Amount or any other amount specified in the relevant Final Terms, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and/or the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Redemption Amount, Early Redemption Amount, Optional Redemption Amount, Instalment Amount, Reference Asset Amount or any other amount specified in the relevant Final Terms to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Holders, any other Calculation Agent or Delivery Agent appointed in respect of the Notes that is to make a further calculation or delivery upon receipt of such information and, if the Notes are listed on and admitted to trading on a Regulated Market and the rules of such Regulated Market or other relevant authority so require, such Regulated Market or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, as soon as reasonably practicable after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to General Note Condition 3(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under General Note Condition 8, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this General Note Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. Whenever the Calculation Agent is required to act or to exercise judgement in any way, it will do so in good faith and in a commercially reasonable manner. The determination of any rate or amount, the obtaining of

each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) **Definitions**

In these General Note Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"Benchmark" means the benchmark specified in the relevant Final Terms

"Business Day" means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
- (ii) in the case of euro, a TARGET Settlement Day and/or
- (iii) in the case of a currency and/or one or more Additional Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Additional Business Centre(s) or, if no currency is indicated, generally in each of the Additional Business Centres,

provided that if the Additional Business Centres are specified in the Final Terms to be or to include "TARGET", then Business Day shall also be a day which is a TARGET Settlement Day (in addition to the terms of foregoing paragraphs (i), (ii) and (iii), as applicable).

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

- (i) if **"Actual/Actual (ICMA)"** is so specified, means:
 - (A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
 - (B) where the Calculation Period is longer than one Regular Period, the sum of:
 - (1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods normally ending in any year; and
 - (2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods normally ending in any year;
- (ii) if **"Actual/365"** or **"Actual/Actual - ISDA"** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if **"Actual/365 (Fixed)"** is so specified, means the actual number of days in the Calculation Period divided by 365;

- (iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360**", "**360/360**" or "**Bond Basis**" is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

Where:

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

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

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

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

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

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

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

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

Where:

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

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

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

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

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

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

"**Effective Date**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Final Terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

"Euro-zone" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"Interest Accrual Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"Interest Amount" for any period or Interest Payment Date means the amount of interest payable for such period or Interest Payment Date as specified in the relevant Final Terms or as determined pursuant to the formula for its calculation set out in the relevant Final Terms, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be.

"Interest Commencement Date" means the Issue Date or such other date as may be specified in the relevant Final Terms.

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Settlement Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

"Interest Valuation Date" means, with respect to an Index Linked Interest Note or an Equity Linked Interest Note, the date specified in the relevant Final Terms in accordance with General Note Condition 4(h).

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

"Interest Period Date" means each Interest Payment Date unless otherwise specified in the relevant Final Terms.

"ISDA Definitions" means, as specified in the relevant Final Terms, either (i) the 2000 ISDA Definitions (the **"2000 Definitions"**) or (ii) the 2006 ISDA definitions (the **"2006 Definitions"**) in each case, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Final Terms (and provided that if ISDA Rate applies in respect of a Series of Notes and no ISDA Definition is specified in the relevant Final Terms then the ISDA Definitions shall be deemed to be the 2006 Definitions in respect of such Series of Notes).

"Page" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000), as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

"Primary Source for Floating Rate" means the source specified in the relevant Final Terms.

"Rate of Interest" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions in the relevant Final Terms.

"Reference Banks" means the institutions specified as such in the relevant Final Terms or, if none, five major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone).

"Regular Period" means:

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

"Relevant Exchange Rate" means the reference exchange rate for the conversion of the Specified Currency into the Settlement Currency (or if no such direct exchange rates are published the effective rate resulting from the application of rates into and out of one or more intermediate currencies) as the Calculation Agent may determine to be the prevailing spot rate for such exchange.

"Relevant Financial Centre" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such in the relevant Final Terms or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, London.

"Relevant Rate" means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

"Relevant Time" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Final Terms or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose **"local time"** means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11.00 hours, Brussels Time.

"Representative Amount" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such in the relevant Final Terms or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

"Settlement Currency" means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated.

"Specified Duration" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the

duration specified in the relevant Final Terms or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to General Note Condition 3(b)(ii).

"**TARGET** " means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET/TARGET 2) System or any successor thereto.

"**TARGET Settlement Day**" means any day on which TARGET is open for the settlement of payments in euro.

(k) ***Calculation Agent and Reference Banks***

- (i) The Issuer shall procure that there shall at all times be five Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agent(s) if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined in the Agency Agreement). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these General Note Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the General Note Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Reference Asset Amount, Final Redemption Amount, Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any other amount specified in the relevant Final Terms, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.
- (ii) Any calculation, determination or adjustment by the Calculation Agent in relation to the Notes will be made in good faith and in a commercially reasonable manner having taken into account relevant market factors including, without limitation, the cost of unwinding any hedge or related underlying trading position, interest rates, the term structure of interest rates, spot foreign exchange rates and any other factors which the Calculation Agent may deem relevant. All calculations, determinations or adjustments made by the Calculation Agent will be binding on the Issuer and the Holders in the absence of manifest error.

4. **Redemption, Purchase and Options**

(a) ***Redemption by Installments and Final Redemption***

- (i) Subject to:
 - (A) the Knock-in Event (if any) having occurred;
 - (B) there not having occurred a Knock-out Event (if any);
 - (C) there not having occurred an Additional Termination Event; and
 - (D) the application of the Credit Linkage Provisions (if relevant),

and unless previously redeemed, purchased and cancelled as provided in this General Note Condition 4 or the relevant Instalment Date (being one of the dates so specified in the relevant Final Terms) is extended pursuant to any Issuer's or Holder's option in accordance with General Note Condition 4(d) or 4(e), each Note that provides for

Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Subject to:

- (A) the Knock-in Event (if any) having occurred;
- (B) there not having occurred a Knock-out Event (if any);
- (C) there not having occurred an Additional Termination Event; and
- (D) the application of the Credit Linkage Provisions (if relevant),

and unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Holder's option in accordance with General Note Condition 4(d) or 4(e), each Note (unless it is an Index Linked Redemption Note or an Equity Linked Redemption Note) shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(i) For the purposes of this General Note Condition 4(a):

"**Additional Termination Event**" has the meaning given to such term in General Note Condition 4(n);

"**Credit Linkage Provisions**" has the meaning given to such term in General Note Condition 4(k);

"**Knock-in Event**" means that event or occurrence specified in the relevant Final Terms; and

"**Knock-out Event**" means that event or occurrence specified in the relevant Final Terms.

(b) **Early Redemption**

(i) Zero Coupon Notes:

- (A) The "**Early Redemption Amount**" payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to (i) an Index and/or an Index Basket and/or a Formula or (ii) a Share and/or a Share Basket and/or a Formula, upon redemption of such Note pursuant to General Note Condition 4(c) or upon it becoming due and payable as provided in General Note Condition 8 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified in the relevant Final Terms.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the "**Amortisation Yield**" (which, if none is specified in the relevant Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to General Note Condition 4(c) or upon it becoming due and payable as provided in General Note Condition 8 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with General Note Condition 3(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Final Terms.

- (ii) Other Notes:

The "**Early Redemption Amount**" payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to General Note Condition 4(c) or upon it becoming due and payable as provided in General Note Condition 8 or, in the case of Equity Linked Redemption Notes and Equity Linked Interest Notes (together the "**Equity Linked Notes**") or Index Linked Redemption Notes and Index Linked Interest Notes (together the "**Index Linked Notes**"), following certain Extraordinary Events as specified in the relevant Final Terms, shall be the amount determined in good faith and in a commercially reasonable manner by the Calculation Agent to be the fair market value of the Notes immediately prior to (and ignoring the circumstances leading to) such early redemption, adjusted to account fully for any reasonable expenses and costs of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation any equity options, equity swaps or other instruments of any type whatsoever hedging the Issuer's obligations under the Notes), unless otherwise specified in the relevant Final Terms.

(c) ***Redemption for Taxation Reasons***

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time or, if so specified in the relevant Final Terms, only on an Interest Payment Date, on giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable), at their Early Redemption Amount (as described in General Note Condition 4(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or the Guarantor, as the case may be) has or will (or there is a substantial likelihood that it will) become obliged to pay Additional Amounts as provided or referred to in General Note Condition 6 as a result of any action taken by The Netherlands or the United States or any political subdivision or any authority thereof or therein having power to tax or brought in a court of competent jurisdiction on or after the Issue Date or any change in, or amendment to, the laws or regulations of The Netherlands or the United States or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Notes then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate duly signed by the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer (or the Guarantor, as the case may be) has or will (or there is a substantial likelihood that it will) become obliged to pay such Additional Amounts as a result of such change or amendment.

(d) ***Redemption at the Option of the Issuer***

If Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 calendar days' irrevocable notice to the Holders (or such other notice period as may be specified in the relevant Final Terms (the "**Notice Period**")) redeem, all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified in the relevant Final Terms and no greater than the maximum nominal amount to be redeemed specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this General Note Condition.

In the case of a partial redemption or a partial exercise of the Issuer's option, the redemption will be effected by reducing the nominal amount of all such Notes in a Series in a proportion to the aggregate nominal amount redeemed.

(e) ***Redemption at the Option of Holders***

If Put Option is specified in the relevant Final Terms, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the relevant Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option or any other Holders' option that may be set out in the relevant Final Terms the Holder must, unless otherwise agreed between an Account Holder and the French Paying Agent, deposit with its Account Holder during usual business hours a duly completed option exercise notice (the "**Exercise Notice**") in the form obtained during usual business hours from any Paying Agent or the Registration Agent, as the case may be, within the notice period and such Exercise Notice shall then be deposited by the Account Holder to any Paying Agent within the notice period. The Account Holder shall transfer, or cause to be transferred, the Notes to be redeemed to the account of the French Paying Agent specified in the Exercise Notice. No option so exercised and, where applicable, no Note so transferred may be withdrawn without the prior consent of the Issuer.

(f) ***Redemption following certain Extraordinary Events, Additional Termination Events, Termination Events and other Early Redemption Events as may be set forth in the relevant Final Terms***

Equity Linked Notes may become redeemable following the occurrence of an Extraordinary Event subject to, and in accordance with, General Note Condition 4(j)(v) and which of "Modified Calculation Agent Adjustment", "Cancellation and Payment" or "Partial Cancellation and Payment" is specified as being applicable pursuant to the relevant Final Terms. In such case, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Holders (or such other notice period as may be specified in the relevant Final Terms) redeem the Notes. In the event of such an early redemption of the Notes, the Issuer or the Guarantor, as the case may be, will cause to be paid to each Holder in respect of each such Note held by it an amount determined by the Issuer in good faith and in a commercially reasonable manner as representing the fair market value of such Note immediately prior to such termination less the cost to the Issuer of unwinding any underlying related hedging arrangements plus all other expenses related thereto as determined by the Issuer in good faith and in a commercially reasonable manner or an amount otherwise determined by the Issuer in good faith and in a commercially reasonable manner as specified in the relevant Final Terms. Payment will be made to the relevant Clearing System(s) in such manner and shall be notified to the Holders in accordance with the procedure set out in General Note Condition 11.

The Notes may be redeemed early in accordance with the General Note Conditions, upon certain Additional Termination Events as set out in General Note Condition 4(n) if so specified in the relevant Final Terms.

The Notes may be redeemed early in accordance with the General Note Conditions, upon certain Termination Events as set out in General Note Condition 4(o).

Index Linked Notes may be redeemed early pursuant to Condition 4(i)(iii)(C).

The Notes may also be redeemed on such terms as may be set forth in the relevant Final Terms.

(g) ***Partly Paid Notes***

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this General Note Condition and the provisions specified in the relevant Final Terms.

(h) ***General Provisions applicable to Index Linked Interest Notes, Index Linked Redemption Notes, Equity Linked Interest Notes and Equity Linked Redemption Notes***

Subject as provided in General Note Condition 14 in relation to Index Linked Interest Notes and Index Linked Redemption Notes, the following provisions shall apply in relation to the calculation of the Redemption Amount for Index Linked Redemption Notes and Equity Linked Redemption Notes (and, for the avoidance of doubt, shall also apply where relevant for the purposes of calculating the Rate of Interest or the Interest Amount(s) under General Note Condition 3(b)(iv) for Index Linked Interest Notes and General Note Condition 3(b)(v) for Equity Linked Interest Notes):

"Additional Termination Event" has the meaning given to such term in General Note Condition 4(n).

"Announcement Date" means, in respect of an Extraordinary Event, (i) in the case of a Merger Event, the date of the first public announcement of a firm intention to engage in a transaction (whether or not subsequently amended) that leads to the Merger Event, (ii) in the case of a Tender Offer, the date of the first public announcement of a firm intention to purchase or otherwise obtain the requisite number of voting shares (whether or not subsequently amended) that leads to the Tender Offer, (iii) in the case of an Index Disruption or Index Cancellation, the date of the first public announcement by the Index Sponsor of any adjustment or cancellation that leads to the Index Disruption or Index Cancellation and in the case of an Index Modification, the Exchange Business Day immediately prior to the effective date of the Index Modification, (iv) in the case of a Nationalisation, the date of the first public announcement to nationalise (whether or not subsequently amended) that leads to the Nationalisation, (v) in the case of an Insolvency, the date of the first public announcement of the institution of a proceeding or presentation of a petition or passing of a resolution (or other analogous procedure in any jurisdiction) that leads to the Insolvency and (vi) in the case of a Delisting, the date of the first public announcement by the Exchange that the relevant Share will cease to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union). In respect of any Extraordinary Event other than an Index Disruption, if the announcement of such Extraordinary Event is made after the actual closing time for the regular trading session on the relevant Exchange, without regard to any after hours or any other trading outside of such regular trading session hours, the Announcement Date shall be deemed to be the next following Scheduled Trading Day.

"Averaging Date" means, in respect of an Index or a Share, subject as provided in General Note Conditions 4(i)(iv) and 4(j)(iii), as applicable, each Averaging Date specified, or otherwise determined in respect of that Index or Share as specified in the relevant Final Terms.

"Baseline Date" means, in respect of an Index or a Share, subject as provided in General Note Conditions 4(i)(iv) and 4(j)(iii), as applicable, each Baseline Date specified, or otherwise determined in respect of that Index or Share as specified in the relevant Final Terms.

"Clearing System Business Day" means, in respect of a Clearing System, any day on which such Clearing System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

"Component" means, in respect of an Index and any relevant day, a security, or a commodities or futures contract or other asset then comprising a constituent of the Index, as applicable, and **"Components"** means some or all of such constituents, as applicable

"Correction Cut-off Date" means, in respect of an Index or a Share, each date specified in the relevant Final Terms after which all corrections of the level of the Index or the price of the Share originally calculated and published by the Index Sponsor or the Exchange, as the case may be, on or before such date, shall be disregarded for the purposes of any calculations to be made using, or determinations to be made by reference to, such level of the Index or price of the Share.

"Credit Linkage Provisions" means the provisions of General Note Condition 4(k) .

"Disrupted Day" means, subject, in respect of an Index, to General Note Condition 14, in respect of an Index or a Share, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred

"Early Closure" means, subject, in respect of an Index, to General Note Condition 14, in respect of a Share, the closure on any Exchange Business Day of any relevant Exchange(s) relating to the Share, or in respect of an Index, the closure on any Exchange Business Day of any relevant Exchange(s) relating to Components that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

"Exchange" means, subject, in respect of an Index, to General Note Condition 14, in respect of an Index or a Share, each exchange or quotation system specified as such in the relevant Final Terms for such Index or such Share, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Share or in the shares underlying such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share or to the shares underlying such Index on such temporary substitute exchange or quotation system as on the original Exchange) .

"Exchange Business Day" means, subject, in respect of an Index, to General Note Condition 14, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Disruption" means, subject, in respect of an Index, to General Note Condition 14, in respect of an Index or a Share any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on the Exchange or, in the case of an Index, any relevant Exchange relating to Components that comprise 20 per cent. or more of the level of that Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Share or Index on any relevant Related Exchange

"Extraordinary Event" means a Merger Event, Tender Offer, Index Adjustment Event, Nationalisation, Insolvency, Delisting or any applicable Additional Termination Event, as the case may be.

"Initial Averaging Date" means in respect of an Index or a Share, subject as provided in General Note Condition 4(i)(iv) and General Note Condition 4(j)(iii), as applicable, each date specified as being an Initial Averaging Date or otherwise determined as specified in the relevant Final Terms.

"Initial Valuation Date" means in respect of an Index or a Share, subject as provided in General Note Condition 4(i)(iv) and General Note Condition 4(j)(iii), as applicable, each date specified as being an Initial Valuation Date or otherwise determined in respect of that Index or that Share as specified in the relevant Final Terms.

"Interest Valuation Date" means in respect of an Index or a Share, subject as provided in General Note Condition 4(i)(iv) and General Note Condition 4(j)(iii), as applicable, each date specified as being an Interest Valuation Date in respect of that Index or that Share or otherwise determined as specified in the relevant Final Terms.

"Knock-in Event" means that event or occurrence specified in the relevant Final Terms.

"Knock-out Event" means that event or occurrence specified in the relevant Final Terms.

"Market Disruption Event" means, subject, in respect of an Index, to General Note Condition 14, in respect of an Index or a Share, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a Component included in the Index at any time, then the relevant percentage contribution of that Component to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

"Maturity Date" means the date specified in the relevant Final Terms.

"Maximum Disruption Extension Period" means eight Scheduled Trading Days, or such other period of Scheduled Trading Days (or other types of days) specified in the relevant Final Terms.

"Redemption Amount" means the amount specified in the relevant Final Terms.

"Redemption Date" means the date specified in the relevant Final Terms.

"Reference Asset(s)" means the asset(s) or instrument(s) specified in the relevant Final Terms.

"Related Exchange(s)" means subject to the proviso below and subject, in respect of an Index, to General Note Condition 14, in respect of an Index or a Share, each exchange or quotation system if any, specified as such in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index or such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index or such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided however that where "All Exchanges" is specified as the Related Exchange, **"Related Exchange"** shall mean each exchange or quotation system (as the Calculation Agent may select) where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index or Share or, in any such case, any transferee or successor exchange of such exchange or quotation system.

"Scheduled Averaging Date" means, in respect of an Index or a Share, any original date that, but for such day not being a Scheduled Trading Day in respect of such Index or Share or for the occurrence of an event causing a Disrupted Day on such date (following adjustment pursuant to the terms of General Note Condition 4(i)(iv) or 4(j)(iii), as applicable), would have been an Averaging Date.

"Scheduled Closing Time" means, in respect of an Index or a Share and in respect of an Exchange or Related Exchange specified in the relevant Final Terms and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"Scheduled Trading Day" means subject, in respect of an Index, to General Note Condition 14, in respect of an Index or a Share, any day on which each Exchange and each Related Exchange specified in the relevant Final Terms are scheduled to be open for trading for their respective regular trading sessions.

"Scheduled Initial Averaging Date" means, in respect of an Index or a Share, any original date that, but for such day not being a Scheduled Trading Day in respect of such Index or Share or for the occurrence of an event causing a Disrupted Day on such date (following adjustment pursuant to the terms of General Note Condition 4(i)(iv) or 4(j)(iii), as applicable), would have been an Initial Averaging Date.

"Scheduled Initial Valuation Date" means in respect of an Index or a Share, any original date that, but for such day not being a Scheduled Trading Day in respect of such Index or Share or for the occurrence of an event causing a Disrupted Day on such date (following adjustment pursuant to the terms of General Note Condition 4(i)(iv) or 4(j)(iii), as applicable), would have been an Initial Valuation Date.

"Scheduled Interest Valuation Date" means in respect of an Index or a Share, any original date that, but for such day not being a Scheduled Trading Day in respect of such Index or Share or for the occurrence of an event causing a Disrupted Day on such date (following adjustment pursuant to the terms of General Note Condition 4(i)(iv) or 4(j)(iii), as applicable), would have been an Interest Valuation Date.

"Scheduled Valuation Date" means in respect of an Index or a Share, any original date that, but for such day not being a Scheduled Trading Day in respect of such Index or Share or for the occurrence of an event causing a Disrupted Day on such date (following adjustment pursuant to the terms of General Note Condition 4(i)(iv) or 4(j)(iii), as applicable), would have been a Valuation Date.

"Settlement Cycle" means, in respect of an Index or Share, the period of Clearing System Business Days following a trade in the shares underlying such Index or such Share, as the case may be, on the Exchange in which settlement will customarily occur according to the rules of such Exchange (or, if there are multiple Exchanges in respect of an Index, the longest such period).

"Termination Event" has the meaning given to such term in General Note Condition 4(o).

"Trading Disruption" means subject, in respect of an Index, to General Note Condition 14, in relation to a Share or an Index, any suspension of, or limitation imposed on, trading by the relevant Exchange or Related Exchange or otherwise, and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise, (i) relating to the Share on the Exchange or, in the case of an Index, relating to Components that comprise 20 per cent. or more of the level of that Index on any relevant Exchange or (ii) in futures or options contracts relating to the Share or the relevant Index on any relevant Related Exchange.

"Valid Date" means a Scheduled Trading Day that is not a Disrupted Day and on which another Initial Averaging Date or Averaging Date, as the case may be, does not or is not deemed to occur.

"Valuation Date" means in respect of an Index or a Share, subject as provided in General Note Condition 4(i)(iv) and General Note Condition 4(j)(iii), as applicable, each date specified in the relevant Final Terms.

"Valuation Time" means subject, in respect of an Index, to General Note Condition 15, in respect of an Index or a Share, the time specified in the relevant Final Terms or, if no such

time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, Initial Valuation Date, Interest Valuation Date, Initial Averaging Date, or Averaging Date, or other relevant date, as the case may be in relation to each Index or Share to be valued or the time with reference to which the Index Sponsor calculates the closing level of such Index or in either such case, such other time as the Calculation Agent may determine and notify to Holders in accordance with General Note Condition 11.

(i) ***Provisions applicable to Index Linked Redemption Notes***

(i) Subject to:

- (A) the Knock-in Event (if any) having occurred;
- (B) there not having occurred a Knock-out Event (if any);
- (C) there not having occurred an Additional Termination Event; and
- (D) the application of the Credit Linkage Provisions (if relevant),

and unless previously redeemed or purchased and cancelled as specified below, each nominal amount (the **"Specified Amount"**) of the Index Linked Redemption Notes equal to the Specified Denomination set out in the relevant Final Terms will be redeemed by the Issuer by payment of the Redemption Amount specified in the relevant Final Terms on the Redemption Date.

(ii) For the purposes of this General Note Condition 4(i) the following provisions shall apply in relation to the calculation of the Redemption Amount (and, for the avoidance of doubt, shall also apply where relevant for the purposes of calculating the Rate of Interest or the Interest Amount(s) under General Note Condition 3(b)(iv) for Index Linked Interest Notes):

"Closing Index Level" means, in respect of an Index and any date, the official closing level as determined by the Calculation Agent as at the Valuation Time on the relevant date, as calculated and published by the relevant Index Sponsor, subject as provided in these General Note Conditions (including, without limitation, General Note Condition 4(i)(iii) and General Note Condition 4(i)(iv)), or determined as otherwise specified in the relevant Final Terms.

"Composite Commodity Index" means each Index specified as such in the relevant Final Terms.

"Currency Business Day" means any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre for the Settlement Currency, and if the Settlement Currency is euro, which is a TARGET Settlement Day.

"Index" means each index specified as such in the relevant Final Terms.

"Index Adjustment Event" means an Index Disruption, Index Modification or Index Cancellation, as defined under (iii) below ("Adjustments to an Index").

"Index Basket" means a basket composed of each Index specified in the relevant Final Terms in the relative proportions specified in the relevant Final Terms.

"Index Level" means, in respect of an Index and any time on any date, the level of such Index as determined by the Calculation Agent as at the relevant time on the relevant date, as calculated and published by the relevant Index Sponsor, subject as provided in these General Note Conditions (including, without limitation, General Note Condition 4(i)(iii) and General Note Condition 4(i)(iv)) or determined as otherwise specified in the relevant Final Terms.

"Index Performance" means, in respect of an Index and any Initial Valuation Date, Interest Valuation Date, Valuation Date, Initial Averaging Date, Averaging Date or any other relevant date, an amount determined by the Calculation Agent as the quotient of (i) the Closing Index Level or such other level as may be specified in the relevant Final Terms of such Index in respect of such date, and (ii) the Closing Index Level or such other level as may be specified in the relevant Final Terms of such Index in respect of the applicable Baseline Date.

"Index Ranking" means, in respect of an Index and any Initial Valuation Date, Interest Valuation Date, Valuation Date, Initial Averaging Date, Averaging Date or any other relevant date (for the purposes of this definition only, the **"Relevant Date"**), the unique ranking of such Index for such Relevant Date assigned by the Calculation Agent amongst all the relevant Indices, where such ranking is assigned by reference to the Index Performance of each relevant Index for such Relevant Date sequentially from the highest to the lowest, such that, for the avoidance of doubt, the Index with the highest Index Performance shall have the highest ranking and the Index with the lowest Index Performance shall have the lowest ranking, provided that, if two or more such Indices have the same Index Performance for such Relevant Date, as determined by the Calculation Agent (all such Indices, if any, being for the purposes of this definition only, **"Equal Performance Indices"**, and each being an **"Equal Performance Index"**) then:

- (i) any Index, if any, with a higher Index Performance for such Relevant Date than any such Equal Performance Index, shall have a higher Index Ranking than any such Equal Performance Index;
- (ii) any Index, if any, with a lower Index Performance for such Relevant Date than any such Equal Performance Index, shall have a lower Index Ranking than any such Equal Performance Index; and
- (iii) subject to paragraphs (i) and (ii) above, as amongst themselves, all such Equal Performance Indices shall be assigned such Index Ranking as the Calculation Agent may determine in its reasonable discretion,

or determined as otherwise specified in the relevant Final Terms.

"Index Sponsor" means, in respect of an Index, the corporation or other entity that, in the determination of the Calculation Agent, (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to that Index and (b) announces (directly or through an agent) the level of that Index on a regular basis during each Scheduled Trading Day.

"Multi-Exchange Index" means each Index specified as such in the relevant Final Terms.

"Proprietary Index" means each Index specified as such in the relevant Final Terms.

"Unitary Exchange Index" means each Index specified as such in the relevant Final Terms.

- (iii) Adjustments to an Index:

- (A) Successor Index Sponsor calculates and announces an Index

If any Index is (i) not calculated and announced by the Index Sponsor specified in the relevant Final Terms but is calculated and announced by a successor Index Sponsor (the **"Successor Index Sponsor"**) acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for, and method of, calculation as used in the calculation, of that Index, then in each case that index (the **"Successor Index"**) will be deemed to be the Index. The Calculation Agent shall make such adjustment(s) that it determines, in its reasonable

discretion, to be appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms in respect of the Notes to account for such replacement.

(B) Index Modification, Index Cancellation and Index Disruption

If, in the determination of the Calculation Agent, in respect of an Index (1) on or before any Valuation Date, Initial Valuation Date, Interest Valuation Date, Initial Averaging Date, Averaging Date or other relevant date specified in the relevant Final Terms, as the case may be, the Index Sponsor or (if applicable) Successor Index Sponsor announces that it will make a material change in the formula for, or the method of calculating, that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalization and other routine events) (an "**Index Modification**") or permanently cancels the Index and no Successor Index exists (an "**Index Cancellation**"); or (2) on any Valuation Date, Initial Valuation Date, Interest Valuation Date, Initial Averaging Date, Averaging Date or other relevant date specified in the relevant Final Terms, as the case may be, the Index Sponsor or (if applicable) Successor Index Sponsor fails to calculate and announce the level of the Index (an "**Index Disruption**") (provided that if the Index is a Composite Commodity Index, a Multi-Exchange Index or a Proprietary Index, the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of a Disrupted Day), then the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the relevant amount using, in lieu of a published level for such Index, the level for such Index as at the relevant date as determined by the Calculation Agent in accordance with the formula for and method of calculating such Index last in effect prior to that change, failure or cancellation, but using only those Components that comprised such Index immediately prior to that Index Adjustment Event and shall notify the Fiscal Agent and the Holders thereof (in accordance with General Note Condition 11) and, so long as the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, a copy of such notice shall be given to such listing authority, stock exchange and/or quotation system (including, so long as the Notes are admitted to trading on Euronext Amsterdam by NYSE Euronext). None of the Calculation Agent or the Paying Agents shall have any responsibility in respect of any error or omission or subsequent correcting made in the calculation or publication of an Index, whether caused by negligence or otherwise.

(C) Alternative Index

In the event that the Calculation Agent determines, in its reasonable discretion, that it is not reasonably practicable (taking into account the costs involved) to calculate or continue to calculate the Index on the basis of General Note Condition 4(i)(iii)(B) above, the Calculation Agent may rebase Notes on a single Index or Index Basket against another index or basket of indices (as applicable) determined by the Calculation Agent, in its discretion, to be comparable to the Index or Index Basket (as applicable) and, following such rebasing, the Calculation Agent shall make such adjustment(s) that it determines, in its sole and absolute discretion, to be appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms in respect of the Notes to account for such rebasing.

If the Calculation Agent determines in its reasonable discretion that there is not such an index or basket of indices comparable to the Index or the Index Basket (as applicable), the Issuer may elect to redeem the Notes by giving notice to the Holders in accordance with General Note Condition 11 of such situation and the fair market value (adjusted to account fully for any reasonable expenses and costs of unwinding any underlying and/or related hedging and funding

arrangements (including, without limitation, on any investment in any share or investment of any type whatsoever, hedging the Issuer's obligations under the Notes)) as determined by the Calculation Agent in its discretion, and such fair market value (as so adjusted) shall be payable on the date specified in such notice.

(D) Correction of Index Levels

In the event that any price or level published by the Index Sponsor on any date and which is utilised for any calculation or determination is subsequently corrected and the correction is published by the Index Sponsor within one Settlement Cycle after the original publication and in any event, on or before the applicable Correction Cut-off Date specified in the relevant Final Terms, the Calculation Agent will determine the amount that is payable or deliverable as a result of that correction, and, to the extent necessary, will adjust any relevant terms of the Notes to account for such correction and will notify the Fiscal Agent and the Holders thereof (in accordance with General Note Condition 11) and, so long as the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, a copy of such notice shall be given to such listing authority, stock exchange and/or quotation system (including, so long as the Notes are admitted to trading on Euronext Amsterdam by NYSE Euronext).

(iv) Market Disruption Event and Consequences of Non-Scheduled Trading Days and/or Disrupted Days:

(A) Subject as provided in General Note Condition 14, if "Initial Valuation Date", "Interest Valuation Date(s)" and/or "Valuation Date(s)" (each such date, for the purposes of this paragraph (iv) only, a "**Reference Date**") are specified in the relevant Final Terms, the following provisions shall apply thereto (save unless otherwise specified in the relevant Final Terms):

(i) where the Notes are specified in the relevant Final Terms to relate to a single Index, if the Calculation Agent determines that any Reference Date is not a Scheduled Trading Day or is a Disrupted Day in respect of such Index, then (subject to General Note Condition 4(i)(iv)(A)(iii)) such Reference Date for such Index shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day in respect of such Index, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Disruption Extension Period in respect of such Index immediately following the relevant Scheduled Initial Valuation Date, Scheduled Interest Valuation Date or Scheduled Valuation Date, as applicable (each such date, for the purposes of this paragraph (iv) only, a relevant "**Scheduled Reference Date**"), is a Disrupted Day. In that case:

(x) that last consecutive Scheduled Trading Day shall be deemed to be the relevant Reference Date for such Index, notwithstanding the fact that such day is a Disrupted Day; and

(y) the Calculation Agent shall determine the Closing Index Level as of the relevant Valuation Time on that last consecutive Scheduled Trading Day in accordance with the formula for and method of, calculating such Index last in effect prior to the occurrence of the first Disrupted Day using:

(I) in respect of Components which are share securities, the Exchange traded or quoted price as of the relevant Valuation Time on that last consecutive Scheduled Trading Day of such Component comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in

respect of any such Component (as if each such Component had been specified as a Share in respect of the Notes) on that last consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant Component as of the relevant Valuation Time on that last consecutive Scheduled Trading Day); or

- (II) in respect of Components which are not share securities, the latest available quotation or such other levels or values of each such Component as the Calculation Agent determines to be appropriate, as of the relevant Valuation Time on that last consecutive Scheduled Trading Day,

(and such determination by the Calculation Agent pursuant to this paragraph (y) shall be deemed to be the Closing Index Level of the Index in respect of the relevant Reference Date).

- (ii) where the Notes are specified in the relevant Final Terms to relate to an Index Basket then, subject to General Note Condition 4(i)(iv)(C), for each Index in respect of which a Scheduled Reference Date is a Scheduled Trading Day which is not affected by the occurrence of a Disrupted Day (as determined by the Calculation Agent), the Reference Date for each such Index shall be the relevant Scheduled Reference Date and for each Index in respect of which the Scheduled Reference Date is not a Scheduled Trading Day and/or is affected by the occurrence of a Disrupted Day (as determined by the Calculation Agent), the Reference Date for each such Index shall be the first succeeding Scheduled Trading Day which the Calculation Agent determines is not a Disrupted Day relating to that Index, unless the Calculation Agent reasonably determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Disruption Extension Period immediately following the Scheduled Reference Date is a Disrupted Day relating to that Index. In that case (subject to General Note Condition 4(i)(iv)(A)(iii)):

- (x) that last consecutive Scheduled Trading Day shall be deemed to be the Reference Date for the relevant Index, notwithstanding the fact that such day is a Disrupted Day; and
- (y) the Calculation Agent shall determine the Closing Index Level of that Index as of the relevant Valuation Time on that last consecutive Scheduled Trading Day in accordance with the formula for and method of, calculating that Index last in effect prior to the occurrence of the first Disrupted Day using:
 - (I) in respect of Components which are share securities, the Exchange traded or quoted price as of the relevant Valuation Time on that last consecutive Scheduled Trading Day of each such Component comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of any such Component (as if each such Component had been specified as a Share in respect of the Notes) on that last consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant Component as of the relevant Valuation Time on that last consecutive Scheduled Trading Day); or
 - (II) in respect of Components which are not share securities, the latest available quotation or such other levels or values of each such Component as the Calculation Agent determines to be appropriate, as of the relevant Valuation Time on that last consecutive Scheduled Trading Day,

(and such determination by the Calculation Agent pursuant to this paragraph (y) shall be deemed to be the Closing Index Level in respect of the relevant Reference Date).

- (iii) notwithstanding the terms of General Note Condition 4(i)(iv)(A)(i) and General Note Condition 4(i)(iv)(A)(ii) above, if:
 - (x) following adjustment pursuant to the terms thereof in relation to an Index (for the purposes of this paragraph (iii), an "**Affected Index**"), a Reference Date for such Affected Index would otherwise fall after the applicable Correction Cut-off Date in respect of such Affected Index and such date, such Correction Cut-off Date shall be deemed to be the Reference Date for such Affected Index and if such Correction Cut-off Date is not a Scheduled Trading Day or is a Disrupted Day in respect of such Affected Index, General Note Condition 4(i)(iv)(A)(i)(y) or General Note Condition 4(i)(iv)(A)(ii)(y), as the case may be, shall apply as if references in that General Note Condition to "that last consecutive Scheduled Trading Day" were instead references to "such Correction Cut-off Date", or
 - (y) the relevant Final Terms specify "No Adjustment" in relation to an Index and a Reference Date, then if the Scheduled Reference Date is not a Scheduled Trading Day or is a Disrupted Day in respect of such Index, General Note Condition 4(i)(iv)(A)(i)(y) or General Note Condition 4(i)(iv)(A)(ii)(y), as the case may be, shall apply as if references in that General Note Condition to "that last consecutive Scheduled Trading Day" were instead references to "the relevant Scheduled Reference Date".
- (B) If "**Initial Averaging Date(s)**" and/or "**Averaging Date(s)**" are specified in the relevant Final Terms to be applicable, the following provisions will apply in relation thereto (save unless otherwise specified in the relevant Final Terms):

If the Calculation Agent determines that a Scheduled Initial Averaging Date or Scheduled Averaging Date, as the case may be, is not a Scheduled Trading Day or is a Disrupted Day in respect of an Index and, if in the relevant Final Terms the consequence specified is:

- (i) "**Omission**", then such Initial Averaging Date or Averaging Date, as the case may be, will be deemed not to be a relevant Initial Averaging Date or Averaging Date, as the case may be, for the purposes of determining the Closing Index Level provided that, if through the operation of this provision there would not be an Initial Averaging Date or Averaging Date, as the case may be, then General Note Condition 4(i)(iv)(A) will apply *mutatis mutandis* for the purposes of determining the relevant Closing Index Level on the final Initial Averaging Date or final Averaging Date, as if such Initial Averaging Date or Averaging Date, as the case may be, was a Valuation Date that was not a Scheduled Trading Day and/or was a Disrupted Day;
- (ii) "**Postponement**", then General Note Condition 4(i)(iv)(A) will apply *mutatis mutandis* for the purposes of determining the Closing Index Level on that Initial Averaging Date or Averaging Date, as the case may be, as if such Initial Averaging Date or Averaging Date were a Valuation Date that was not a Scheduled Trading Day and/or was a Disrupted Day, irrespective of whether, pursuant to such determination, that deferred Initial Averaging Date or Averaging Date, as the case may be, would fall on a day that already is or is deemed to be an Initial Averaging Date or Averaging Date, as the case may be; or

(iii) **"Modified Postponement"**, then:

- (a) where the Notes are specified in the relevant Final Terms to relate to a single Index, the Initial Averaging Date or Averaging Date, as the case may be, shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the consecutive Scheduled Trading Days equal in number to the Maximum Disruption Extension Period immediately following the relevant Scheduled Initial Averaging Date or Scheduled Averaging Date that, but for the occurrence of another Initial Averaging Date or Averaging Date or non-Scheduled Trading Day or Disrupted Day, as the case may be, would have been the final Initial Averaging Date or final Averaging Date, as the case may be, then (A) that last consecutive Scheduled Trading Day shall be deemed the Initial Averaging Date or Averaging Date, as the case may be (irrespective of whether that last consecutive Scheduled Trading Day is already an Initial Averaging Date or Averaging Date, as the case may be) and (B) the Calculation Agent shall determine the Closing Index Level for that Initial Averaging Date or Averaging Date, as the case may be, in accordance with General Note Condition 4(i)(iv)(A)(i)(y); and
- (b) where the Notes are specified in the relevant Final Terms to relate to an Index Basket, subject to General Note Condition 4(i)(iv)(C), the Initial Averaging Date or Averaging Date, as the case may be, for each Index in respect of which the relevant Scheduled Initial Averaging Date or Scheduled Averaging Date, as the case may be, is a Scheduled Trading Day which is not affected by the occurrence of a Disrupted Day shall be the relevant Scheduled Initial Averaging Date or Scheduled Averaging Date, as the case may be, and the Initial Averaging Date or Averaging Date, as the case may be, for an Index in respect of which the Initial Averaging Date or Averaging Date, as the case may be, is not a Scheduled Trading Day and/or is affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index (subject as provided in the last paragraph hereof). If the first succeeding Valid Date in relation to such Index has not occurred as of the Valuation Time on the consecutive Scheduled Trading Days equal in number to the Maximum Disruption Extension Period immediately following the relevant Scheduled Initial Averaging Date or Scheduled Averaging Date then (subject as provided in the last paragraph hereof), (A) that last consecutive Scheduled Trading Day shall be deemed the Initial Averaging Date or Averaging Date, as the case may be (irrespective of whether that last consecutive Scheduled Trading Day is already an Initial Averaging Date or Averaging Date, as the case may be) in respect of such Index, and (B) the Calculation Agent shall determine the Closing Index Level for that Initial Averaging Date or Averaging Date, as the case may be, in accordance with General Note Condition 4(i)(iv)(A)(ii)(y).

Notwithstanding the foregoing terms of this General Note Condition 4(i)(iv)(B)(iii), if:

- (x) following adjustment pursuant to the foregoing terms of this General Note Condition 4(i)(iv)(B)(iii) in relation to an Index (for the purposes of this paragraph (iii), an **"Affected Index"**), an Initial Averaging Date or Averaging Date, as the case may be, for such Affected Index would otherwise fall after the applicable Correction Cut-off Date in respect of such Affected Index and

such date, then (A) such Correction Cut-off Date shall be deemed to be the Initial Averaging Date or Averaging Date, as the case may be, for such Affected Index (irrespective of whether after such Correction Cut-off Date is already an Initial Averaging Date or Averaging Date, as the case may be) and (B) the Calculation Agent shall determine the Closing Index Level for that Initial Averaging Date or Averaging Date, as the case may be, in accordance with General Note Condition 4(i)(iv)(A)(i)(y) (as if references in that General Note Condition to "that last consecutive Scheduled Trading Day" were instead references to "such Correction Cut-off Date"); or

- (y) the relevant Final Terms specify "No Adjustment" in relation to an Index and an Initial Averaging Date or Averaging Date, as the case may be, then if the corresponding Scheduled Initial Averaging Date or Scheduled Averaging Date, as the case may be, is not a Scheduled Trading Day or is a Disrupted Day in respect of such Index, General Note Condition 4(i)(iv)(A)(i)(y) or General Note Condition 4(i)(iv)(A)(ii)(y), as the case may be, shall apply as if references in that General Note Condition to "that last consecutive Scheduled Trading Day" were instead references to "the Scheduled Initial Averaging Date or Scheduled Averaging Date, as the case may be".

- (iv) If "**Index Disclaimer**" is specified in the relevant Final Terms then the Issuer and the Holders agrees and acknowledges, in respect of each Index, that the Notes are not sponsored, endorsed, sold or promoted by the Index or the Index Sponsor and no Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. The Issuer (or, if applicable, the Guarantor) shall have no liability to the Holders for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Except as disclosed prior to the Issue Date specified in the relevant Final Terms, neither the Issuer (or, if applicable, the Guarantor) nor its affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Indices from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer (or, if applicable, the Guarantor), its affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.

- (C) Notwithstanding General Note Condition 4(i)(iv)(A)(ii) and General Note Condition 4(i)(iv)(B)(iii) above:

- (i) where the Notes are specified in the relevant Final Terms to relate to an Index Basket the Calculation Agent may determine that in relation to an Index comprised in the Index Basket not affected by a non-Scheduled Trading Day or the occurrence of a Disrupted Day that the Reference Date, Initial Averaging Date or Averaging Date, as the case may be, will not be the specified Reference Date, the specified Initial Averaging Date

or the specified Averaging Date, respectively, as the case may be, but will be subject to such adjustment as the Calculation Agent may determine; and/or

- (ii) the relevant Final Terms in respect of any Notes may specify (and set forth detailed terms) that each Index in an Index Basket shall be adjusted together (for purposes of non-Scheduled Trading Days and/or Disrupted Days) such that the Reference Date for each Index shall fall on the same date.

(j) ***Provisions applicable to Equity Linked Redemption Notes***

- (i) Subject to:

- (A) the Knock-in Event (if any) having occurred;
- (B) there not having occurred a Knock-out Event (if any);
- (C) there not having occurred an Additional Termination Event; and
- (D) the application of the Credit Linkage Provisions (if relevant),

and unless previously redeemed or purchased and cancelled as specified below, each nominal amount (the "**Specified Amount**") of Equity Linked Redemption Notes equal to the Specified Denomination set out in the relevant Final Terms will be redeemed by the Issuer (A) if Cash Settlement is specified in the relevant Final Terms, by payment of the Redemption Amount on the Redemption Date or (B) if Physical Delivery is specified in the relevant Final Terms, by delivery of the Reference Asset Amount on the Redemption Date or (C) if Cash Settlement and/or Physical Delivery is specified in the relevant Final Terms, by payment of the Redemption Amount and/or by delivery of the Reference Asset Amount on the terms specified in the relevant Final Terms, in each case on the Redemption Date.

- (ii) For the purposes of this General Note Condition 4(j) the following provisions shall apply in relation to the calculation of the Redemption Amount and/or Reference Asset Amount (and, for the avoidance of doubt, shall also apply where relevant for the purposes of calculating the Rate of Interest and Interest Amount(s) under General Note Condition 3(b)(v) for Equity Linked Interest Notes):

"**Closing Share Price**" means (subject as provided in (i) below), on any day in respect of a Share, the official closing price of such Share on the Exchange as of the Valuation Time on the relevant day, or if there is no official closing price, the mid-market price per such Share on the Exchange at the Valuation Time on such day, all as determined by the Calculation Agent subject as provided in these General Note Conditions (including, without limitation, General Note Condition 4(j)(iii) and General Note Condition 4(j)(iv)), provided that (i) in the event that "Closing Share Price (ISDA)" is specified in the relevant Final Terms to apply, or if an alternative definition of "Closing Share Price" is set forth in the relevant Final Terms, then "Closing Share Price" shall mean Closing Share Price (ISDA) or such alternative definition, as the case may be, and (ii) in the event that any price published on the Exchange and which is utilised for any calculation or determination in respect of the Notes is subsequently corrected and the correction is published by the Exchange on or before the Correction Cut-off Date, such corrected price.

"**Closing Share Price (ISDA)**" on any day and any time means in respect of a Share, (i) in respect of any Share for which the Exchange is an auction or "open outcry" exchange that has a price as of the Valuation Time at which any trade can be submitted for execution, the Closing Share Price (ISDA) shall be the price per Share as of the Valuation Time on the relevant day as reported in the official real-time price dissemination mechanism for such Exchange; and (ii) in respect of any Share for which the Exchange is a dealer exchange or dealer quotation system, the Closing Share Price (ISDA) shall be the mid-point of the highest bid and lowest ask prices quoted as of the

Valuation Time on the relevant day, (or the last such prices quoted immediately before such time) without regard to quotations that "lock" or "cross" the dealer exchange or dealer quotation system; provided that in the event that any price published on the Exchange and which is utilised for any calculation or determination in respect of the Notes is subsequently corrected and the correction is published by the Exchange on or before the applicable Correction Cut-off Date, the Calculation Agent will determine the amount that is payable or deliverable as a result of that correction, and, to the extent necessary, will adjust any relevant terms of the Notes to account for such correction.

"Currency Business Day" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre for the Settlement Currency, and if the Settlement Currency is euro, which is a TARGET Settlement Day.

"Merger Date" means the closing date of a Merger Event (as determined by the Calculation Agent) or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

"Merger Event" means, in respect of a Share, any (i) reclassification or change of such Share that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its subsidiaries with or into another entity in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event (a **"Reverse Merger"**) in each case if the Merger Date is on or before the Redemption Date if Physical Delivery is specified in the relevant Final Terms or the final Valuation Date in all other cases.

"Options Exchange" means, in respect of a Share, the exchange or quotation system so specified in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in options contracts relating to the relevant Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such options contracts on such temporary substitute exchange or quotation system as on the original Options Exchange) or, if no such exchange or quotation system is specified in the relevant Final Terms, the Related Exchange (if such Related Exchange trades options contracts relating to the relevant Share) or, if more than one such Related Exchange is specified in the relevant Final Terms, the Related Exchange selected by the Calculation Agent as the primary market for listed options contracts relating to the relevant Share.

"Potential Adjustment Event" is as defined in General Note Condition 4(j)(iv).

"Reference Asset" means the Share, Index or other type of instrument, asset or entity, as specified in the relevant Final Terms.

"Reference Asset Amount" means the amount of Reference Assets, as specified in the relevant Final Terms, which may be delivered by the Delivery Agent on behalf of the Issuer on the date specified in the relevant Final Terms.

"Share" means each share or other financial instrument specified in the relevant Final Terms.

"Share Basket" means a basket composed of Shares of each Share Issuer as specified in the relevant Final Terms in the relative proportions or numbers of Shares of each Share Issuer indicated in the relevant Final Terms.

"Share Issuer" means, in respect of a Share, the issuer of the relevant Share.

"Share Performance" means, in respect of a Share and any Initial Valuation Date, Interest Valuation Date, Valuation Date, Initial Averaging Date, Averaging Date or any other relevant date, an amount determined by the Calculation Agent as the quotient of (i) the Closing Share Price or such other Share price as may be specified in the relevant Final Terms of such Share in respect of such date, and (ii) the Closing Share Price or such other Share price as may be specified in the relevant Final Terms of such Index in respect of the applicable Baseline Date.

"Share Price" means (subject as provided in (i) below), on any day and any time in respect of a Share, the Exchange traded price of such Share at such time on such day as determined by the Calculation Agent (subject as provided in these General Note Conditions (including, without limitation, General Note Condition 4(j)(iii) and General Note Condition 4(j)(iv)), provided that: (i) in the event that "Share Price (ISDA)" is specified in the relevant Final Terms to apply, or if an alternative definition of "Share Price" is set forth in the relevant Final Terms, then "Share Price" shall mean Share Price (ISDA) or such alternative definition, as the case may be and (ii) in the event that any price published on the relevant Exchange in respect of a Share and which is utilised for any calculation or determination in respect of the Notes is subsequently corrected and the correction is published by the Exchange on or before the Correction Cut-off Date, such corrected price.

"Share Price (ISDA)" on any day and any time means in respect of a Share, (i) in respect of any Share for which the Exchange is an auction or "open outcry" exchange that has a price as of such time at which any trade can be submitted for execution, the Share Price shall be the price per Share as of such time on the relevant day as reported in the official real-time price dissemination mechanism for such Exchange; and (ii) in respect of any Share for which the Exchange is a dealer exchange or dealer quotation system, the Share Price shall be the mid-point of the highest bid and lowest ask prices quoted as of such time on the relevant day, (or the last such prices quoted immediately before such time) without regard to quotations that "lock" or "cross" the dealer exchange or dealer quotation system; provided that in the event that any price published on the Exchange and which is utilised for any calculation or determination in respect of the Notes is subsequently corrected and the correction is published by the Exchange on or before the Correction Cut-off Date, the Calculation Agent will determine the amount that is payable or deliverable as a result of that correction, and, to the extent necessary, will adjust any relevant terms of the Notes to account for such correction.

"Share Ranking" means, in respect of a Share and any Initial Valuation Date, Interest Valuation Date, Valuation Date, Initial Averaging Date, Averaging Date or any other relevant date (for the purposes of this definition only, the **"Relevant Date"**), the unique ranking of such Share for such Relevant Date assigned by the Calculation Agent amongst all the relevant Shares, where such ranking is assigned by reference to the Share Performance of each relevant Share for such Relevant Date sequentially from the highest to the lowest, such that, for the avoidance of doubt, the Share with the highest Share Performance shall have the highest ranking and the Share with the lowest Share Performance shall have the lowest ranking, provided that, if two or more such Shares have the same Share Performance for such Relevant Date, as determined by the Calculation Agent (all such Shares, if any, being for the purposes of this definition only, **"Equal Performance Shares"**, and each being an **"Equal Performance Share"**) then:

- (i) any Share, if any, with a higher Share Performance for such Relevant Date than any such Equal Performance Share, shall have a higher Share Ranking than any such Equal Performance Share;
- (ii) any Share, if any, with a lower Share Performance for such Relevant Date than any such Equal Performance Share, shall have a lower Share Ranking than any such Equal Performance Share; and
- (iii) subject to paragraphs (i) and (ii) above, as amongst themselves, all such Equal Performance Shares shall be assigned such Share Ranking as the Calculation Agent may determine in its reasonable discretion,

or determined as otherwise specified in the relevant Final Terms.

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self regulatory agencies or such other information as the Calculation Agent acting and in good faith deems relevant.

"Tender Offer Date" means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

- (iii) Market Disruption Events and Consequences of Non-Scheduled Trading Days and/or Disrupted Days:

(A) If **"Initial Valuation Date"**, **"Interest Valuation Date(s)"** and/or **"Valuation Date(s)"** (each such date, for the purposes of this paragraph (iii) only, a **"Reference Date"**) are specified in the relevant Final Terms, the following provisions shall apply thereto (save unless otherwise specified in the relevant Final Terms):

- (i) where the Notes are specified in the relevant Final Terms to relate to a single Share, if the Calculation Agent determines that any Scheduled Initial Valuation Date, Scheduled Interest Valuation Date or Scheduled Valuation Date, as the case may be (each such date, for the purposes of this paragraph (iii) only, a **"Scheduled Reference Date"**), is not a Scheduled Trading Day or is a Disrupted Day in respect of such Share, then (subject to General Note Condition 4(j)(iii)(A)(iii)) such Reference Date for such Share shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day in respect of such Share, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Disruption Extension Period in respect of such Share immediately following the Scheduled Reference Date is a Disrupted Day. In that case:
 - (x) that last consecutive Scheduled Trading Day shall be deemed to be the relevant Reference Date for such Share, notwithstanding the fact that such day is a Disrupted Day; and
 - (y) the Calculation Agent shall determine its good faith estimate of the value for the Share as of the Valuation Time on that last consecutive Scheduled Trading Day (and such good faith estimate by the Calculation Agent pursuant to this paragraph (y) shall be deemed to be the Closing Share Price in respect of the Reference Date, as the case may be).
- (ii) where the Notes are specified in the relevant Final Terms to relate to a Share Basket then, subject to General Note Condition 4(j)(iii)(C), for

each Share in respect of which a Scheduled Reference Date is a Scheduled Trading Day which is not affected by the occurrence of a Disrupted Day (as determined by the Calculation Agent), the Reference Date shall be the relevant Scheduled Reference Date, and for each Share in respect of which the Scheduled Reference Date is not a Scheduled Trading Day and/or is affected by the occurrence of a Disrupted Day (as determined by the Calculation Agent), the Reference Date for each such Share shall be the first succeeding Scheduled Trading Day which the Calculation Agent determines is not a Disrupted Day relating to that Share, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Disruption Extension Period immediately following the Scheduled Reference Date is a Disrupted Day relating to that Share. In that case (subject to General Note Condition 4(j)(iii)(A)(iii)):

- (x) that last consecutive Scheduled Trading Day shall be deemed to be the Initial Valuation Date, the Interest Valuation Date or the Valuation Date, as the case may be, for the relevant Share, notwithstanding the fact that such day is a Disrupted Day; and
 - (y) the Calculation Agent shall determine its good faith estimate of the value for the Share as of the Valuation Time on that last consecutive Scheduled Trading Day (and such good faith estimate by the Calculation Agent pursuant to this paragraph (y) shall be deemed to be the Closing Share Price in respect of the Reference Date).
- (iii) notwithstanding the terms of General Note Condition 4(j)(iii)(A)(i) and General Note Condition 4(j)(iii)(A)(ii) above, if:
- (x) following adjustment pursuant to the terms thereof in relation to a Share (for the purposes of this paragraph (iii), an "**Affected Share**"), the Reference Date for such Affected Share would otherwise fall after the applicable Correction Cut-off Date for such date in respect of such Affected Share, such Correction Cut-off Date shall be deemed to be the Reference Date for such Affected Share and if such Correction Cut-off Date is not a Scheduled Trading Day or is a Disrupted Day in respect of such Affected Share, General Note Condition 4(j)(iii)(A)(i)(y) or General Note Condition 4(j)(ii)(A)(ii)(y), as the case may be, shall apply as if references in that General Note Condition to "that last consecutive Scheduled Trading Day" were instead references to "such Correction Cut-off Date"; or
 - (y) the relevant Final Terms specify "No Adjustment" in relation to a Share and a Reference Date, then if the Scheduled Reference Date is not a Scheduled Trading Day or is a Disrupted Day in respect of such Share, General Note Condition 4(j)(iii)(A)(i)(y) or General Note Condition 4(j)(ii)(A)(ii)(y), as the case may be, shall apply as if references in that General Note Condition to "that last consecutive Scheduled Trading Day" were instead references to "the Scheduled Reference Date".

- (B) If "**Initial Averaging Date(s)**" and/or "**Averaging Date(s)**" are specified in the relevant Final Terms to be applicable, the following provisions will apply in relation thereto (save unless otherwise specified in the relevant Final Terms):

If the Calculation Agent determines that a Scheduled Initial Averaging Date or Scheduled Averaging Date, as the case may be, is not a Scheduled Trading Day or is a Disrupted Day in respect of a Share and, if in the relevant Final Terms the consequence specified is:

- (i) **"Omission"**, then such Initial Averaging Date or Averaging Date, as the case may be, will be deemed not to be a relevant Initial Averaging Date or Averaging Date, as the case may be, for the purposes of determining the Share Price or Closing Share Price, as the case may be, provided that, if through the operation of this provision there would not be an Initial Averaging Date or Averaging Date, as the case may be, then General Note Condition 4(j)(iii)(A) will apply *mutatis mutandis* for the purposes of determining the relevant Share Price or Closing Share Price, as the case may be, on the final Initial Averaging Date or final Averaging Date, as if such Initial Averaging Date or Averaging Date, as the case may be, was a Valuation Date that was not a Scheduled Trading Day and/or was a Disrupted Day;
- (ii) **"Postponement"**, then General Note Condition 4(j)(iii)(A) will apply *mutatis mutandis* for the purposes of determining the Share Price or Closing Share Price, as the case may be, on that Initial Averaging Date or Averaging Date, as the case may be, as if such Initial Averaging Date or Averaging Date were a Valuation Date that was not a Scheduled Trading Day and/or was a Disrupted Day, irrespective of whether, pursuant to such determination, that deferred Initial Averaging Date or Averaging Date, as the case may be, would fall on a day that already is or is deemed to be an Initial Averaging Date or Averaging Date, as the case may be; or
- (iii) **"Modified Postponement"**, then:
 - (a) where the Notes are specified in the relevant Final Terms to relate to a single Share, the Initial Averaging Date or Averaging Date, as the case may be, shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the consecutive Scheduled Trading Days equal in number to the Maximum Disruption Extension Period immediately following the relevant Scheduled Initial Averaging Date or Scheduled Averaging Date that, but for the occurrence of another Initial Averaging Date or Averaging Date or non-Scheduled Trading Day or Disrupted Day, as the case may be, would have been the final Initial Averaging Date or final Averaging Date, as the case may be, then (A) that last consecutive Scheduled Trading Day shall be deemed the Initial Averaging Date or Averaging Date, as the case may be (irrespective of whether that last consecutive Scheduled Trading Day is already an Initial Averaging Date or Averaging Date, as the case may be) and (B) the Calculation Agent shall determine the Closing Share Price for that Initial Averaging Date or Averaging Date, as the case may be, in accordance with General Note Condition 4(j)(iii)(A)(i)(y); and
 - (b) where the Notes are specified in the relevant Final Terms to relate to a Share Basket, subject to General Note Condition 4(j)(iii)(C), the Initial Averaging Date or Averaging Date, as the case may be, for each Share in respect of which the relevant Scheduled Initial Averaging Date or Scheduled Averaging Date, as the case may be, is a Scheduled Trading Day which is not affected by the occurrence of a Disrupted Day shall be the relevant Scheduled Initial Averaging Date or Scheduled Averaging Date, as the case may be, and the Initial Averaging Date or Averaging Date, as the case may be, for a Share in respect of which the Initial Averaging Date or Averaging Date, as the case may be, is not a Scheduled Trading Day and/or is affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Share (subject as provided in the last paragraph hereof). If the first succeeding Valid Date in relation to such Share has not occurred

as of the Valuation Time on the consecutive Scheduled Trading Days equal in number to the Maximum Disruption Extension Period immediately following the relevant Scheduled Initial Averaging Date or Scheduled Averaging Date then (subject as provided in the last paragraph hereof), (A) that last consecutive Scheduled Trading Day shall be deemed the Initial Averaging Date or Averaging Date, as the case may be (irrespective of whether that last consecutive Scheduled Trading Day is already an Initial Averaging Date or Averaging Date, as the case may be) in respect of such Share, and (B) the Calculation Agent shall determine the Closing Share Price for that Initial Averaging Date or Averaging Date, as the case may be, in accordance with General Note Condition 4(j)(iii)(A)(ii)(y).

Notwithstanding the foregoing terms of this General Note Condition 4(j)(iii)(B)(iii), if:

- (x) following adjustment pursuant to the foregoing terms of this General Note Condition 4(j)(iii)(B)(iii) in relation to a Share (for the purposes of this paragraph (iii), an "**Affected Share**"), the Initial Averaging Date or Averaging Date, as the case may be, for such Affected Share would otherwise fall after the applicable Correction Cut-off Date for such date in respect of such Affected Share, then (A) such Correction Cut-off Date shall be deemed to be the Initial Averaging Date or Averaging Date, as the case may be, for such Affected Share (irrespective of whether such last consecutive Scheduled Trading Day is already an Initial Averaging Date or Averaging Date, as the case may be) and (B) the Calculation Agent shall determine the Closing Share Price for that Initial Averaging Date or Averaging Date, as the case may be, in accordance with General Note Condition 4(j)(iii)(A)(i)(y) (as if references in that General Note Condition to "that last consecutive Scheduled Trading Day" were instead references to "such Correction Cut-off Date"); or
- (y) the relevant Final Terms specify "No Adjustment" in relation to a Share and a Reference Date, then if the Scheduled Initial Averaging Date or Scheduled Averaging Date, as the case may be, is not a Scheduled Trading Day or is a Disrupted Day in respect of such Share, General Note Condition 4(j)(iii)(A)(i)(y) shall apply as if references in that General Note Condition to "that last consecutive Scheduled Trading Day" were instead references to "the Scheduled Initial Averaging Date or Scheduled Averaging Date, as the case may be".

(C) Notwithstanding General Note Condition 4(j)(iii)(A)(ii) and General Note Condition 4(j)(iii)(B)(iii) above:

- (i) where the Notes are specified in the relevant Final Terms to relate to a Share Basket the Calculation Agent may determine that in relation to a Share comprised in the Share Basket not affected by a non-Scheduled Trading Day or the occurrence of a Disrupted Day that the Initial Valuation Date, Interest Valuation Date, Valuation Date, Initial Averaging Date or Averaging Date, as the case may be, will not be the specified Initial Valuation Date, the specified Interest Valuation Date, the specified Valuation Date, the specified Initial Averaging Date or the specified Averaging Date, respectively, as the case may be, but will be subject to such adjustment as the Calculation Agent may determine; and/or

- (ii) the relevant Final Terms in respect of any Notes may specify (and set forth detailed terms) that each Share in a Share Basket shall be adjusted together (for purposes of non-Scheduled Trading Days and/or Disrupted Days) such that the Reference Date for each Share shall fall on the same date.
- (iv) Potential Adjustment Events

Following the declaration by any Share Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will:

- (i) make the corresponding adjustment(s), if any, to any one or more of the Redemption Amount and/or the Reference Asset Amount and/or the Interest Amount(s) and/or any of the other relevant terms as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share); and
- (ii) determine the effective date(s) of the adjustment(s). In such case, such adjustments shall be deemed to be so made from such date(s). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by any Options Exchange.

Upon making any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Holders in accordance with General Note Condition 11, stating the adjustment to the Redemption Amount and/or the Reference Asset Amount and/or the Interest Amount(s) and/or any of the other relevant terms and giving brief details of the Potential Adjustment Event.

For the avoidance of doubt, in addition to or instead of varying any terms in accordance with the above provisions, the Calculation Agent may distribute to the holders of the outstanding relevant Notes additional Notes and/or a cash amount. Such distribution of additional Notes may be made on a "free" or "delivery versus payment" basis.

For the purposes of this General Note Condition 4(j):

"Potential Adjustment Event" means with respect to any Share Issuer and/or Share, any of the following as determined by the Calculation Agent:

- (i) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of relevant Shares of (1) such Shares or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Issuer equally or proportionately with such payments to holders of such Shares or (3) share capital or other securities of another share issuer acquired or owned (directly or indirectly) by the Share Issuer as a result of a spin-off or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an amount per Share which the Calculation Agent determines should be characterised as an extraordinary dividend;
- (iv) a call by the Share Issuer in respect of relevant Shares that are not fully paid;

- (v) a repurchase by the Share Issuer or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
 - (vi) in respect of the Share Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
 - (vii) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.
- (v) Merger Event, Tender Offer, Delisting, Nationalisation and Insolvency
- (A) Merger Events and Tender Offers

(i) In this General Note Condition 4(j)(v)(A), "**Affected Shares**" means Shares affected by a Merger Event or a Tender Offer, as the case may be.

(ii) Consequences of Merger Events.

In respect of a Merger Event or Tender Offer, if the consequence specified in the relevant Final Terms is:

- (a) "**Modified Calculation Agent Adjustment**", then, on or after the relevant Merger Date or Tender Offer Date (or such other date as the Calculation Agent deems relevant), the Calculation Agent shall either (i)(A) make such adjustment to the redemption, settlement, payment or any other terms of the Notes (including Interest Amounts) (including, but not limited to, a Share Substitution if specified as being applicable in the relevant Final Terms) as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Merger Event or Tender Offer, or other event, (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event or Tender Offer by an Options Exchange to options on the relevant Shares traded on such Options Exchange and (B) determine the effective date of that adjustment, or (ii) if the Calculation Agent determines that no adjustment that it could make under (i) will produce a commercially reasonable result, the Notes will be redeemed upon prior notice made to the Holders in accordance with General Note Condition 4(f) and General Note Condition 11, subject as otherwise provided in the relevant Final Terms.
- (b) "**Cancellation and Payment**", then, or after the relevant Merger Date or Tender Offer Date (or such other date as the Calculation Agent deems relevant), the Issuer may, in its reasonable discretion, redeem the Notes and pay to the relevant Clearing System for credit to the relevant Holders account, in respect of each Note, the Early Redemption Amount and will determine the effective date of such amendments (providing notice to the Holders thereof in accordance with General Note Condition 4(f) and General Note Condition 11, subject as otherwise provided in the relevant Final Terms).
- (c) "**Partial Cancellation and Payment**", then, in respect of a Share Basket, that portion of the Share Basket represented by Affected Shares will be cancelled as of the Merger Date or Tender Offer Date (or such other date

as the Calculation Agent deems relevant), the amount calculated by the Calculation Agent in accordance with the General Note Conditions in respect of such Affected Shares will be paid by the Issuer to the Holders in redemption thereof (providing notice to the Holders thereof in accordance with General Note Condition 4(f) and General Note Condition 11, subject as otherwise provided in the relevant Final Terms), the remainder of the Share Basket will continue with the Basket comprising Shares that are not Affected Shares, and the Calculation Agent will adjust any relevant terms of the Notes if necessary to preserve as nearly as practicable the economic terms of the Notes for the remaining Shares.

(B) Nationalisation, Insolvency and or Delisting

(i) Definitions

"Delisting" means, in respect of a Share, that the relevant Exchange announces that pursuant to the rules of such Exchange, the Share ceases (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union).

"Insolvency" means, in respect of a Share, that by reason of the voluntary or involuntary liquidation, winding-up, dissolution, bankruptcy or insolvency or any analogous proceeding affecting a Share Issuer (i) all the Shares of such Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of such Share Issuer become legally prohibited from transferring them.

"Nationalisation" means, in respect of a Share, that all the Shares of a Share Issuer or all the assets or substantially all the assets of such Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

(ii) Consequences of Nationalisation, Insolvency or Delisting

In respect of a Nationalisation, Insolvency or Delisting, if the consequence specified is:

"Modified Calculation Agent Adjustment", it has the meaning set out in General Note Condition 4(j)(v)(A)(ii)(a) above, save that (a) the reference therein to "relevant Merger Date or Tender Offer Date" shall be construed as a reference to the "Announcement Date", (b) each reference therein to "such Merger Event or Tender Offer" shall be construed as a reference to "the Delisting, Insolvency or Nationalisation, as the case may be";

"Cancellation and Payment", it has the meaning set out in General Note Condition 4(j)(v)(A)(ii)(b) above, save that the reference therein to "relevant Merger Date or Tender Offer Date" shall be construed as a reference to the "Announcement Date"; or

"Partial Cancellation and Payment", it has the meaning set out in General Note Condition 4(j)(v)(A)(ii)(c) above, save that the reference therein to "relevant Merger Date or Tender Offer Date" shall be construed as a reference to the "Announcement Date".

"Share Substitution" means, in respect of an Extraordinary Event, the selection by the Calculation Agent in its reasonable discretion of a new underlying share (the **"New Share"**), which New Share will be deemed to be a Share in place of the Share which has been replaced by the Calculation Agent following such Extraordinary Event (and the Share Issuer of the new Share will be replace the Share Issuer of the replaced Share). Any New Share will, to the extent practicable, be selected from the same industry, have shares denominated in the same currency and have a similar market capitalisation to the relevant replaced share and belong to the Reference Index.

"Reference Index" means, in respect of each Share which is subject to a Share Substitution, an index, as selected by the Calculation Agent, (a) in respect of which the relevant Share is, or has been at some time during the immediately preceding six months, a component and (b) which has (in the opinion of the Calculation Agent) actively traded futures contracts in respect of such index. If more than one index falls within (a) and (b), then the Calculation Agent shall select the Reference Index in its reasonable discretion. If no index can be selected pursuant to (a) and (b), then the Calculation Agent shall select the Reference Index in its reasonable discretion.

(C) Notification of adjustments

The Calculation Agent shall notify as soon as practicable each of the Paying Agents and each Stock Exchange on which the Notes are listed of any adjustment made pursuant to this General Note Condition 4(j) and the Issuer shall procure that such adjustments are made available to Holders at the specified offices of the Paying Agents and, if so required by the rules of the stock exchange(s) on which the Notes are listed or the relevant competent authority, that notice of such adjustments are notified to Holders as required by the relevant stock exchange or competent authority. Any adjustments shall be made by the Calculation Agent, acting in good faith and in a commercially reasonable manner.

(k) **Credit Linked Notes**

In respect of Credit Linked Notes, the **"Credit Linkage Provisions"** will be as set forth in the relevant Final Terms and references in these General Note Conditions to "Credit Linkage Provisions" shall be to such Final Terms (including Part C thereof).

(l) **Purchases**

The Issuer, the Guarantor and any of their subsidiaries or affiliates may at any time purchase Notes in the open market or otherwise at any price.

(m) **Cancellation**

All Notes purchased by or on behalf of the Issuer must be cancelled by transfer to an account in accordance with the rules and procedures of Euroclear France and may not be reissued or resold. Upon cancellation the obligations of the Issuer and the Guarantor in respect of such Notes shall be discharged.

(n) **Additional Termination Events**

(i) Relevant Definitions

"Additional Termination Events" means any one or more of the following, as specified in the relevant Final Terms:

"Change in Law" means that, on or after the date specified in the relevant Final Terms (or if no such date is specified, the Issue Date) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B)

due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (X) it has become illegal to hold, acquire or dispose of the Shares, or (Y) the Hedging Entity (as defined in General Note Condition 5(i)) will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position), or (Z) the performance of the Guarantor under the Guarantee has become unlawful;

"Failure to Deliver" means, in respect of a Share, the failure of the Issuer to deliver, when due, the relevant Shares, where such failure to deliver is due to illiquidity in the market for such Shares;

"Insolvency Filing" means, in respect of a Share, that the Share Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Issuer shall not be deemed an Insolvency Filing;

"Hedging Disruption" means that the Hedging Entity (as defined in General Note Condition 5(i)) is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the relevant Notes, or (B) realize, recover or remit the proceeds of any such transaction(s) or asset(s);

"Increased Cost of Hedging" means that the Hedging Entity (as defined in General Note Condition 5(i)) would incur a materially increased (as compared with circumstances existing on the date specified in the relevant Final Terms (or if no date is so specified, the Issue Date)) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the relevant Notes, or (B) 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 (or the Guarantor, if applicable) shall not be deemed to be an Increased Cost of Hedging;

"Loss of Stock Borrow" means that the Hedging Entity (as defined in General Note Condition 5(i)) is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) Shares in an amount equal to the Hedging Shares (not to exceed the number of Shares underlying the Notes) at a rate equal to or less than the Maximum Stock Loan Rate, where **"Hedging Shares"** means the number of Shares that the Calculation Agent deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the Notes and **"Maximum Stock Loan Rate"** means the stock loan rate specified as such in the relevant Final Terms or notified to the Holders in accordance with the General Note Conditions;

"Increased Cost of Stock Borrow" means that the Hedging Entity (as defined in General Note Condition 5(i)) would incur a rate to borrow the Shares that is greater than the Initial Stock Loan Rate, where **"Initial Stock Loan Rate"** means the stock loan rate specified as such in the relevant Final Terms or notified to the Holders in accordance with the General Note Conditions.

(ii) **Consequences of Additional Termination Events**

Upon the occurrence of an Additional Termination Event, unless otherwise specified in the relevant Final Terms, the Issuer may redeem the Notes early.

In the event of an early redemption of the Notes following an Additional Termination Event, the Issuer or the Guarantor, as the case may be, will cause to be paid to each Holder in respect of each such Note held by it an amount determined by the Issuer in good faith and in a commercially reasonable manner as representing the fair market value of such Note immediately prior to such termination (ignoring, in the case of a Termination Event, such illegality or impracticality) less the cost to the Issuer of unwinding any underlying related hedging arrangements plus all other expenses related thereto as determined by the Issuer in good faith and in a commercially reasonable manner or an amount otherwise determined by the Issuer in good faith and in a commercially reasonable manner as specified in the relevant General Note Conditions. Payment will be made to the relevant Clearing System(s) in such manner and shall be notified to the Holders in accordance with the procedure set out in General Note Condition 11.

(o) ***Termination Events***

The Issuer may, at its option, redeem the Note early (on giving not less than 15 nor more than 30 days' irrevocable notice to the Holders (or such other notice period as may be specified in the relevant Final Terms)) in the event that it determines in its reasonable discretion in good faith that its performance hereunder, or it becomes aware that the performance of the Guarantor under the Guarantee, has become unlawful or impractical in whole or in part as a result of (i) any change in financial, political or economic conditions or currency exchange rates, or (ii) compliance in good faith by the Issuer or the Guarantor (as the case may be) with any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative or judicial authority or power (such event, a "**Termination Event**").

In the event of an early redemption of the Notes following a Termination Event, the Issuer or the Guarantor, as the case may be, will cause to be paid to each Holder in respect of each such Note held by it an amount determined by the Issuer in good faith and in a commercially reasonable manner as representing the fair market value of such Note immediately prior to such termination (ignoring, in the case of a Termination Event, such illegality or impracticality) less the cost to the Issuer of unwinding any underlying related hedging arrangements plus all other expenses related thereto as determined by the Issuer in good faith and in a commercially reasonable manner or an amount otherwise determined by the Issuer in good faith and in a commercially reasonable manner as specified in the relevant Conditions. Payment will be made to the relevant Clearing System(s) in such manner and shall be notified to the Holders in accordance with the procedure set out in General Note Condition 11.

(p) ***Commodity Linked Redemption Notes, Foreign Exchange Linked Redemption Notes, Fund Linked Redemption Notes, Inflation Linked Redemption Notes, Dual Currency Redemption Notes and Other Variable Linked Redemption Notes***

In respect of Commodity Linked Redemption Notes, Foreign Exchange Linked Redemption Notes, Fund Linked Redemption Notes, Inflation Linked Redemption Notes, Dual Currency Redemption Notes and Other Variable Linked Redemption Notes, the formula to determine the Redemption Amount shall be as set out in the relevant Final Terms.

5. **Payments**

(a) ***Form of Payments***

Payments of principal and interest (including, for the avoidance of doubt, any arrears of interest, where applicable) in respect of the Notes shall (in the case of Notes in bearer dematerialised form or administered form) be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the Holders and (in the case of Notes in fully registered form) to an account denominated in the relevant currency

with a Bank (as defined below) designated by the Holders. All payments validly made to such Account Holders or Bank will be an effective discharge of the Issuer in respect of such payments.

"Bank" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(b) ***Payments Subject to Laws***

All payments are subject in all cases to any applicable laws, regulations and directives in the place of payment, but without prejudice to the provisions of General Note Condition 6. No commission or expenses shall be charged to the Holders in respect of such payments.

(c) ***Appointment of Agents***

The Fiscal Agent, the Paying Agents, the Listing Agent, the Registration Agent, the Calculation Agent and the Delivery Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Listing Agent, the Registration Agent, the Calculation Agent(s) and the Delivery Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Holder. None of the Calculation Agent, the Issuer and the Guarantor shall have responsibility to the Holders for good faith errors or omissions in the Calculation Agent's determinations as provided in these General Note Conditions, whether caused by negligence or otherwise. The Issuer and the Guarantor, reserve the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registration Agent, the Listing Agent, the Calculation Agent(s) or the Delivery Agent and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registration Agent in relation to administered Notes (iii) one or more Calculation Agent(s) and Delivery Agent(s) where these General Note Conditions so require, (iv) a French Paying Agent having its specified office in France so long as (A) the Notes are cleared through Euroclear France or (B) admitted to listing on a Regulated Market of Euronext Paris S.A., and the applicable rules so require, (v) a Dutch Paying Agent and a Dutch Listing Agent so long as the Notes are admitted to trading on Euronext Amsterdam by NYSE Euronext, (vi) such other agents as may be required by any other Regulated Market on which the Notes are admitted to trading and (vii) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any such change or any change of any specified office shall promptly be given to the Holders in accordance with General Note Condition 11.

(d) ***Non-Business Days***

If any date for payment in respect of any Note is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph and in paragraph (i) below, **"business day"** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "Additional Financial Centres" in the relevant Final Terms and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or
- (ii) (in the case of a payment in euro) which is a TARGET Settlement Day,

provided that if the Additional Financial Centres are specified in the relevant Final Terms to be or to include "TARGET", then business day shall also be a day which is a TARGET

Settlement Day (in addition to the foregoing terms of this General Note Condition 5(d), as applicable).

(e) ***Payment Disruption Events and Payment Event Cut-off Date***

- (i) If the Calculation Agent shall, at any time and from time to time, determine that an event beyond the control of the Hedging Entity (a "**Payment Disruption Event**") has occurred or will occur as a result of which the Hedging Entity is not able or would not be able to receive the proceeds from the sale or other disposal of all or any part of the Reference Assets or other financial products held by the Hedging Entity to hedge the Issuer's obligations in respect of the Notes prior to or on any date on which payments in respect of such Notes shall fall due, then the Calculation Agent shall as soon as practicable notify the holders of the relevant Notes of the occurrence of a Payment Disruption Event in accordance with General Note Condition 11 whereupon the provisions of General Note Condition 5(e)(ii) (A) below shall become applicable.

In addition and without prejudice to the generality of the foregoing, each of the following events shall constitute a Payment Disruption Event:

- (a) the delivery of the Further Shares, arising on the occurrence of a Potential Adjustment Event pursuant to General Note Condition 4(j) is pending;
- (b) the occurrence of an FX Disruption Event;
- (c) the occurrence of a Bad Settlement Event or an Objection to Registration Event;
- (d) the application is pending with the Issuer of the Reference Assets for the registration of the transfers of the Reference Assets to or from the Hedging Entity;
- (e) an application is pending for the dematerialisation of the Reference Assets; and
- (f) any law or regulation is imposed which affects the Hedging Entity's status as a holder of the Reference Assets.

For the purposes of this General Note Condition 5(e):

"Bad Settlement Event" means an event where the Hedging Entity is not able or would not be able to transfer or procure transfer of any of the Reference Assets (i) acquired by it from any transferor or (ii) held by it to any transferees, in any case, due to torn, damaged, or forged certificates or any other limitations whatsoever on or in respect of the transfer or registration of Reference Assets

"FX Disruption Event" means.

- (A) an event in relation to a Relevant Reference Asset Jurisdiction which has the effect of preventing, restricting or delaying the Calculation Agent or Hedging Entity from:
 - (i) converting the Relevant Currency into the Specified Currency through customary legal channels; or
 - (ii) converting the Relevant Currency into the Specified Currency at a rate at least as favourable as the rate for domestic institutions located in the Relevant Reference Asset Jurisdiction; or
 - (iii) delivering the Specified Currency from accounts inside the Relevant Reference Asset Jurisdiction to accounts outside the Relevant Reference Asset Jurisdiction; or

- (iv) delivering the Relevant Currency between accounts inside the Relevant Reference Asset Jurisdiction or to a party that is a non-resident of the Relevant Reference Asset Jurisdiction; or
- (B) the imposition by the Relevant Reference Asset Jurisdiction (or any political or regulatory authority thereof) of any capital controls, or the publication of any notice of an intention to do so, which the Calculation Agent determines in good faith is likely materially to affect the Notes, and notice thereof is given by the Issuer to the Holders in accordance with General Note Condition 11; or
- (C) the implementation by the Relevant Reference Asset Jurisdiction (or any political or regulatory authority thereof) or the publication of any notice of an intention to implement any changes to the laws or regulations relating to foreign investment in the Relevant Reference Asset Jurisdiction (including, but not limited to, changes in tax laws and/or laws relating to capital markets and corporate ownership), which the Calculation Agent determines are likely to materially affect the Issuer's ability to hedge its obligations under the Notes

"Hedging Entity" means the Issuer or any affiliate(s) of the Issuer or any entity (or entities) acting on behalf of the Issuer engaged in any underlying or hedging transactions relating to the Reference Assets in respect of the Issuer's obligations under the Notes

"Objection to Registration Event" means an event where the Hedging Entity is not able or would not be able to effect the registration of the transfer of any of the Reference Assets (i) acquired by it from any transferor or (ii) held by it to any transferees, in any case, due to a refusal or objection by the issuer of the Reference Assets to register any such transfer for any reasons whatsoever

"Payment Event Cut-Off Date" means a date which is one year after the Maturity Date or any other date on which any amount under the Notes shall be due and payable (as the case may be), or as determined by the Calculation Agent acting in good faith and as specified herein

"Relevant Currency" means the currency in which the Reference Assets are denominated as specified in the relevant Final Terms, or such other currency or currencies as may be determined by the Calculation Agent

"Relevant Reference Asset Jurisdiction" means the jurisdiction(s) specified in the relevant Final Terms.

- (ii) Upon the occurrence of a Payment Disruption Event:

- (A) the Maturity Date or any other date on which principal or any other amount including interest in relation to any of the Notes shall be due and payable (as the case may be) in respect of the relevant Notes shall, subject to General Note Condition 5(iii), be extended to a date falling 14 calendar days (or such other date as may be determined by the Calculation Agent and notified to the Holder in accordance with General Note Condition 11) after the date on which the Payment Disruption Event is no longer operating, if relevant, and on which the Hedging Entity is able to, or would be able to, sell or otherwise realise all of the Reference Assets held by the Hedging Entity to hedge the Issuer's obligations in respect of the relevant Notes and notice thereof shall be given to the relevant Holders in accordance with General Note Condition 11; and
- (B) the Issuer's obligation to pay the Final Redemption Amount, the Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount or any such other amounts including interest in relation to any of the Notes as may be due and payable (as the case may be) in respect of the relevant Notes, subject to General Note Condition 5(iii), shall be postponed until 14 calendar days (or such other date as may be determined by the Calculation Agent and notified to the Holders in accordance with General Note Condition 11) after the date on

which the Payment Disruption Event is no longer operating, if relevant, and on the date on which the Hedging Entity is able to, or would be able to, sell or otherwise realise all of the Reference Assets held by the Hedging Entity to hedge the Issuer's obligation in respect of the relevant Notes. Notwithstanding the foregoing, in the event that the Hedging Entity is able to sell or otherwise realise a part but not all of the Reference Assets held by the Hedging Entity to hedge the Issuer's obligation in respect of the relevant Notes, the Issuer may, in its reasonable discretion, satisfy in part its obligation to pay the amounts as may be due and payable under the relevant Notes by making a partial payment(s) based upon the relevant amount of the Reference Assets that the Hedging Entity has been able to sell or otherwise realise (the "**Partial Proceeds**") in respect of the relevant Notes (the "**Partial Payments**"). Any Partial Payments paid by the Issuer to the Holders will be calculated by the Calculation Agent and shall be paid to the Holders *pro rata* to the proportion of the aggregate outstanding principal amount of the Notes held by the relevant Holder. In the event that any Partial Payment is made by the Issuer, the Calculation Agent may make any such corresponding adjustment to any variable relevant to the settlement, redemption or payment terms of the relevant Notes as it deems necessary and shall notify the relevant Holders thereof in accordance with General Note Condition 11.

- (C) For the avoidance of doubt and notwithstanding any provisions to the contrary,
 - (i) any such payments made in accordance with this General Note Condition shall be made after deduction of any costs, expenses or liabilities incurred or to be incurred by the Calculation Agent or Issuer in connection with or arising from the resolution of the relevant Payment Disruption Event(s) (including, without limitation, any additional custodial fees); (ii) no accrued interest shall be paid by the Issuer in respect of any delay which may occur in the payment of any amounts due and payable under the Notes as a result of the operation of this General Note Condition 5(e); and (iii) any failure by the Issuer to pay any amounts due and payable under the Notes as a result of the operation of this General Note Condition 5(e) shall not constitute an Event of Default (as such term is defined in General Note Condition 8) under General Note Conditions 8(i) and (ii).

- (iii) In the event that a Payment Disruption Event is still occurring and there remain Reference Assets held by the Hedging Entity to hedge the Issuer's obligations in respect of the Notes which have not been sold or otherwise realised before the Payment Event Cut-off Date, the Maturity Date or any other date on which principal or any other amount including interest in relation to any of the Notes shall be due and payable (as the case may be) for the relevant Notes shall fall on the Payment Event Cut-off Date and the settlement price of the remaining Reference Assets held by the Hedging Entity which are still subject to the Payment Disruption Event or have not been sold or realised by the Hedging Entity shall be deemed to be zero. Thereafter, the Issuer shall have no obligations whatsoever under the Notes.

(f) **Physical Delivery**

If any payment in respect of any Note is to be made by delivery of the Reference Asset Amount, in order to obtain delivery of the Reference Asset Amount(s) in respect of such Note, the relevant Holder must deliver or have delivered on its behalf to any Paying Agent, with a copy to the Issuer, the Fiscal Agent and the Delivery Agent, not later than the close of business in each place of receipt on the relevant Physical Delivery Cut-Off Date, a duly completed Reference Asset Transfer Notice substantially in the form set out in the Agency Agreement (the "**Reference Asset Transfer Notice**").

Forms of the Reference Asset Transfer Notice, the form of which is set out in the Agency Agreement, may be obtained during normal business hours from the specified office of any Paying Agent.

A Reference Asset Transfer Notice may only be delivered in writing or by tested telex.

The delivery of the Reference Asset Amount(s) shall be made in the manner specified in the relevant Final Terms or in such other commercially reasonable manner as the Issuer shall determine to be appropriate for such delivery and shall notify to the Holders in accordance with General Note Condition 11.

All expenses including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax and/or other taxes or duties (together "**Delivery Expenses**") arising from the delivery and/or transfer of any Reference Asset Amount(s) shall be for the account of the relevant Holder, as the case may be, and no delivery and/or transfer of any Reference Asset Amount(s) shall be made until all Delivery Expenses have been paid to the satisfaction of the Issuer by the relevant Holder, as the case may be.

A Reference Asset Transfer Notice must:

- (1) specify the name and address of the relevant Holder or Account Holder, as the case may be, any account details required for delivery as set out in the relevant Final Terms and the person from whom the Issuer may obtain details for the delivery of the Reference Asset Amount if such delivery is to be made otherwise than in the manner specified in the relevant Final Terms;
- (2) contain certification, *inter alia*, that the Holder is not a U.S. Person and that delivery of the Reference Asset Amount(s) will not be made in the United States;
- (3) specify the nominal amount of Notes which are the subject of such notice and the number of the Holder or Account Holder's account at Euroclear France, Euroclear, Clearstream, Luxembourg or the Alternative Clearing System (if applicable), as the case may be, to be debited with such Notes and irrevocably instruct and authorise Euroclear France, Euroclear, Clearstream, Luxembourg or the Alternative Clearing System (if applicable), as the case may be, to debit the relevant Holder or Account Holder's account with such Notes on the relevant Interest Payment Date(s) or the Maturity Date;
- (4) include an undertaking to pay all Delivery Expenses and an authority to debit a specified account of the Holder or Account Holder's account at Euroclear France, Euroclear, Clearstream, Luxembourg or the Alternative Clearing System (if applicable) and to pay such Delivery Expenses; and
- (5) authorise the production of such notice in any applicable administrative or legal proceedings.

No Reference Asset Transfer Notice may be withdrawn after receipt thereof by the Paying Agent, as provided above. After delivery of a Reference Asset Transfer Notice, the relevant Holder may not transfer the Notes, as the case may be, which are the subject of such notice.

Failure properly to complete and deliver a Reference Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these General Note Conditions shall be made, by the relevant Paying Agent after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Holder.

If no certification of non-U.S. Person beneficial ownership (in the form set out in the Reference Asset Transfer Notice) is provided by the relevant Physical Delivery Cut-Off Date, the Issuer may, instead of delivering, or having delivered on its behalf, the Reference Asset Amount, satisfy its obligations in respect of the relevant Note by payment to the relevant Holder of a cash amount, calculated by the Calculation Agent in good faith and in a commercially reasonable manner to represent the fair market value of the Reference Assets comprising such Reference Asset Amount on such day as shall be selected by the Issuer in good faith and in a commercially reasonable manner adjusted to take account fully for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any options or selling or otherwise realising any relevant Share or other instruments of any type

whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements).

If any Holder fails properly to complete and deliver a Reference Asset Transfer Notice which results in such transfer being treated as null and void, the Issuer may determine, in its reasonable discretion whether to waive the requirement to deliver a properly completed Reference Asset Transfer Notice prior to the relevant cut-off date for physical delivery (the "**Physical Delivery Cut-Off Date**") in order for such Holder to receive the Redemption Amount and/or Interest Amount(s), as the case may be, by obtaining delivery of the Reference Asset Amount in respect of such Notes and shall give notice of such waiver to the relevant Account Holder and/or Euroclear France, Euroclear, Clearstream, Luxembourg or the Alternative Clearing System (if applicable), as the case may be, and to each of the Paying Agents, the Calculation Agent and the Delivery Agent.

Subject as provided in this General Note Condition, in relation to each Note which is to be redeemed or satisfied by delivery of a Reference Asset Amount, the Reference Asset Amount will be delivered at the risk of the relevant Holder, as the case may be, in the manner provided above on the relevant Interest Payment Date and/or the Redemption Date (or, if any such date is not a Business Day, on the next following Business Day), as the case may be (each such date, subject to adjustment in accordance with this General Note Condition, a "**Delivery Date**"), provided that the Reference Asset Transfer Notice is duly delivered to Euroclear France, Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Issuer and the Calculation Agent and Delivery Agent, as provided above, not later than the close of business in each place of receipt on the relevant Physical Delivery Cut-Off Date.

If a Reference Asset Transfer Notice is delivered to Euroclear France, Euroclear, Clearstream, Luxembourg or the Alternative Clearing System (if applicable) or a Paying Agent, as the case may be, with a copy to each of the Fiscal Agent and the Delivery Agent, no later than the close of business in each place of receipt on the relevant Physical Delivery Cut-Off Date, then the Reference Asset Amount may, at the option of the Issuer, be delivered as soon as practicable after the relevant Interest Payment Date and/ or the Maturity Date, as the case may be (in which case, such date of delivery shall be the relevant Delivery Date), at the risk of such Holder in the manner provided above. For the avoidance of doubt, in such circumstances such Holder shall not be entitled to any payment, whether of interest or otherwise, in the event of such relevant Delivery Date falling after the originally designated relevant Delivery Date and no liability in respect thereof shall attach to the Issuer or to the Delivery Agent.

If a Settlement Disruption Event does prevent delivery on that date, then the Delivery Date will be the first succeeding date on which delivery of the Reference Asset Amount can take place through the relevant Clearing System unless a Settlement Disruption Event prevents settlement on each of the eight relevant Clearing System Business Days immediately following the original date that, but for the Settlement Disruption Event, would have been the Delivery Date. In that case, (x) if such Reference Asset Amount can be delivered in any other commercially reasonable manner, then the Delivery Date will be the first date on which settlement of a sale of the Reference Assets comprising the Reference Asset Amount executed on that eighth relevant Clearing System Business Day customarily would take place using such other commercially reasonable manner of delivery (which other manner of delivery will be deemed the relevant Clearing System for the purposes of delivery of the relevant Reference Asset Amount), and (y) if such Reference Asset Amount cannot be delivered in any other commercially reasonable manner, then the Delivery Date will be postponed until delivery can be effected through the relevant Clearing System or in any other commercially reasonable manner. In the case of a Share Basket, if as a result of a Settlement Disruption Event some but not all of the Shares comprised in a Basket are affected, the Delivery Date for Shares not affected by the Settlement Disruption Event will be the original Delivery Date and the Delivery Date for the Shares that are affected by the Settlement Disruption Event shall be determined as provided above. In the event that a Settlement Disruption Event will result in the delivery on a Delivery Date of some but not all of the Shares comprised in a Basket, the Calculation Agent shall determine the appropriate *pro rata* portion of the amount payable to be paid to each Holder in respect of that partial settlement.

Such Holder shall not be entitled to any payment, whether of interest or otherwise, on such Note in the event of any delay in the delivery of the Reference Asset Amount pursuant to this paragraph and no liability in respect thereof shall attach to the Issuer or the Delivery Agent.

For so long as delivery of the Reference Asset Amount in respect of any Note is not practicable by reason of a Settlement Disruption Event, then notwithstanding that Physical Delivery is specified in the relevant Final Terms, or any other provision hereof, the Issuer may elect in its reasonable discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Holder, as the case may be, of the relevant Disruption Cash Settlement Price not later than on the third Business Day following the date that the notice of such election (the "**Election Notice**") is given to the Holders, as the case may be, in accordance with General Note Condition 11. Payment of the relevant Disruption Cash Settlement Price will be made in such manner as shall be notified to the Holders, as the case may be, in accordance with General Note Condition 11.

For the avoidance of doubt, if during the period of time after the Interest Payment Date or the Redemption Date, as the case may be, the Issuer or any subsidiary or affiliate of the Issuer or any other entity acting on behalf of the Issuer shall be the legal owner of any securities that may comprise a part of any Reference Assets (the "**Intervening Period**"), whether owned in connection with such entity's hedge of its obligations, directly or indirectly, under the Notes or otherwise held in its normal course of business, neither the Issuer nor any of its subsidiaries or affiliates or such other entities shall be under any obligation or liability to any Holder in respect of such Reference Assets, including (i) any obligation to deliver or procure delivery to the relevant Holder, as the case may be, or any subsequent beneficial owner of such Note, any letter, certificate, notice, circular or any other document or payment (including any interest, dividend or any other distribution) in respect of any Reference Asset(s) whatsoever received by the Issuer or any of its subsidiaries or affiliates or any such other entities in its capacity as the holder of such Reference Asset(s), (ii) any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such Reference Asset(s) during the Intervening Period or (iii) any liability to the relevant Holder, as the case may be, or any subsequent beneficial owner of such Note in respect of any loss or damage which the relevant Holder, as the case may be, or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner of such Notes during such Intervening Period. In furtherance of the foregoing, each Holder of a Note linked to Reference Assets shall be deemed to have represented to the Issuer that it does not have, arising from its beneficial ownership of a Note, a lien or any other type of security interest in or any other claim or entitlement to any such Reference Asset held by the Issuer or any such subsidiary, affiliate or other entity.

Where the Reference Asset Amount comprises, in the sole and absolute determination of the Issuer, fractions of Reference Assets, the Holders, as the case may be, will receive a Reference Asset Amount comprising of the nearest number (rounded down) of Reference Assets capable of being delivered by the Issuer (taking into account that a Holder's entire holding may be aggregated at the Issuer's discretion for the purpose of delivering the Reference Asset Amounts), and no such additional cash amounts shall be made in the value of the amount of the relevant Reference Asset so rounded down.

For the purposes of this General Note Condition 5(f):

"**Alternative Clearing System**" means any alternative clearing system specified herein in addition to, or in place of Euroclear France, Euroclear and/or Clearstream, Luxembourg;

"**Clearing System**" means as specified in the relevant Final Terms or any successor to such Clearing System as determined by the Calculation Agent or, if none is specified, the Clearing System will be the principal domestic clearing system customarily used for settling trades in the relevant Share on the Redemption Date. If the Clearing System ceases to settle trades in such Shares the Calculation Agent may, in its reasonable discretion, specify another manner of delivery;

"Clearing System Business Day" means in respect of a Clearing System, any day on which such Clearing System is (or but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions ;

"Delivery Agent" means J.P. Morgan Securities Ltd. or any successor thereof (or such other Delivery Agent as may be appointed from time to time either generally or in relation to a specific issue or Series of Notes and as specified in the relevant Final Terms);

"Disruption Cash Settlement Price" means an amount equal to the fair market value of the relevant Note (but not taking into account any interest accrued on such Note as such interest shall be paid pursuant to General Note Conditions 4 and 6) on such day as shall be selected by the Calculation Agent in its discretion adjusted to take account fully for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any options or selling or otherwise realising any relevant Share or other instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements), all as calculated by the Calculation Agent in good faith and in a commercially reasonable manner;

"Physical Delivery Cut-Off Date" means, in relation to an Interest Payment Date or the Maturity Date, the relevant date specified in the relevant Final Terms (or if that day is not a Clearing System Business Day, the next following such Clearing System Business Day),

"Settlement Disruption Event" means an event beyond the control of the Issuer or other Hedging Entity (including illiquidity in the market for the relevant Reference Assets or any legal prohibition, or material restriction imposed by any law, order or regulation on the ability of the Issuer or any Hedging Entity, to deliver the Reference Asset) as a result of which, in the opinion of the Calculation Agent, delivery of the Reference Asset Amount by or on behalf of the Issuer, in accordance with these General Note Conditions and/or the relevant Final Terms is not practicable, or as a result of which the relevant Clearing System cannot clear the transfer of the relevant Reference Assets.

6. **Taxation**

All payments of principal of and interest on the Notes will be made without deduction or withholding for or on account of any present or future tax, assessment or other governmental charge, of whatever nature, imposed or levied on such payment by or within the Relevant Jurisdiction, except as required by law. In that case, the Issuer or, as the case may be, the Guarantor will, subject to certain limitations and exceptions set forth below, pay to a Holder of Notes who is a United States Alien (in the case of United States-related taxes), or a person who is not a Dutch Tax Resident (in the case of Dutch taxes) (each as defined below) such additional amounts ("**Additional Amounts**") as may be necessary so that every net payment by the Issuer or the Guarantor or any of their Paying Agents of principal or interest with respect to the Notes, after deduction or withholding for or on account of any such present or future tax, assessment or other governmental charge on such payment imposed upon such Holder, or as a result of such payment of tax imposed or levied on such payment by or within the Relevant Jurisdiction, will not be less than the amount provided for in such Notes to be then due and payable. However, neither the Issuer nor the Guarantor will be required to make any payment of Additional Amounts for or on account of:

- (i) any tax, assessment or other governmental charge which would not have been so imposed but for (A) the existence of any present or former connection between such holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such holder, if such holder is an estate, a trust, a partnership or a corporation) and the Relevant Jurisdiction including, without limitation, such holder (or such fiduciary, settlor, beneficiary, member, shareholder or assessor) being or having been present therein, being or having been a citizen or resident thereof, being or having been engaged in a trade or business therein or having had a permanent establishment therein, or (B) the failure of such holder or the beneficial owner to comply with any certification, identification or information reporting requirements to establish entitlement to exemption from or reduction of such tax, assessment or other governmental charge;

- (ii) any estate, inheritance, gift, sales, transfer, personal property, or any similar tax, assessment or governmental charge;
- (iii) any tax, assessment or other governmental charge which is payable other than by withholding from payments of principal of or interest on such Note;
- (iv) any tax, assessment or other governmental charge which is required to be withheld by a Paying Agent from payments of principal of or interest on any Note if such payment can be made without such withholding by at least one other Paying Agent;
- (v) any tax, assessment, or other governmental charge payable by a holder, or by a third party on behalf of a holder, who is liable for such taxes, assessments or governmental charges in respect of any Note by reason of the holder or the third party's having some connection with The Netherlands other than the mere holding of the Note;
- (vi) any tax assessment, or other governmental charge payable by a holder, or by a third party on behalf of a holder, who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note, is presented for payment;
- (vii) the presentation (where presentation is required) of a Note, for payment on a date more than 10 days after the Relevant Date or the date on which such payment is fully provided for, whichever occurs later;
- (viii) where such withholding or deduction is imposed on a payment to an individual or other entity and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive;
- (ix) any Note presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a European Union Member State; or
- (x) any combination of items (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), or (ix),

nor shall Additional Amounts be paid with respect to a payment of principal of or interest on any Note to a holder that is not the beneficial owner of such Note to the extent that the beneficial owner thereof would not have been entitled to the payment of such Additional Amounts had such beneficial owner been the holder of such Note.

The Issuer undertakes that it will ensure that it maintains a paying agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

As used in these General Note Conditions, the term "**United States**" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; the term "**United States Alien**" means any person who is, for United States federal income tax purposes, as to the United States: (i) a natural person who is not a citizen or resident of the United States; (ii) a foreign corporation; (iii) a foreign partnership any member of which is, as to the United States, a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary of a foreign estate or trust; or (iv) a foreign estate or trust; and the terms "**Dutch Tax Resident**" means in respect of any particular time any person who will be required by Dutch law to file a Dutch tax return in respect of the tax year of assessment which includes that time on the basis that such person is resident in The Netherlands for tax purposes.

As used in these General Note Conditions, the term **"Relevant Jurisdiction"** means the country in which the Guarantor or the Issuer (as applicable) is organised or incorporated or in which payments of any present or future tax, assessment or other governmental charge of whatever nature are regarded as being sourced or by or within any political subdivision or taxing authority thereof or therein.

As used in these General Note Conditions, the term **"Code"** means the U.S. Internal Revenue Code of 1986, as amended.

As used in these General Note Conditions, the term **"Relevant Date"** in respect of any Note means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Holder that, such payment has been made. References in these General Note Conditions to (i) "principal" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to General Note Condition 4 or any amendment or supplement to it, (ii) "interest" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to General Note Condition 3 or any amendment or supplement to it and (iii) "principal" and/or "interest" shall be deemed to include any Additional Amounts that may be payable under this General Note Condition.

7. **Prescription**

Claims against the Issuer and the Guarantor for payment in respect of the Notes shall be prescribed and become void unless made within 10 years (in the case of principal or any Reference Asset Amount(s)) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

8. **Events of Default**

If one or more of the following events (herein referred to as **"Events of Default"**) shall have occurred and be continuing, the Representative (as defined in Condition 9 below), upon request of any Holder, may give written notice to the Issuer and the Fiscal Agent at their specified offices that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together with the accrued interest to the date of payment (if applicable) shall become immediately due and payable, unless such Event of Default shall have been cured by the Issuer or waived prior to receipt of such notice by the Issuer and the Fiscal Agent:

- (i) failure on the part of the Issuer to pay when due the principal of any of the Notes as and when the same shall become due and payable, whether at maturity, upon redemption or otherwise and such failure shall have continued for a period of 30 days;
- (ii) failure on the part of the Issuer to pay when due any instalment of interest upon any Notes as and when the same shall become due and payable, and such failure shall have continued for a period of 30 days;
- (iii) the Issuer shall apply for suspension of payments ("*surseance van betaling*") or shall have been declared bankrupt ("*failliet verklaard*"), in both cases within the meaning of the Netherlands Bankruptcy Act ("*Faillissementswet*"), or becomes subject to emergency measures ("*noodregeling*") under the Netherlands Financial Markets Supervision Act ("*Wet op het financieel toezicht*"); and, in each case, any such proceedings shall remain unstayed and in effect for a period of 90 consecutive calendar days;
- (iv) an order is made by any competent court or an effective resolution passed for the winding-up or dissolution of the Issuer, or the Issuer, ceases or threatens to cease to carry on all or a substantial part of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Masse (as defined in Condition 9 below);

- (v) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect;
- (vi) a court having a jurisdiction in the premises shall enter a decree or order for relief in respect of JPMCB in an involuntary case under any applicable United States federal or state bankruptcy, insolvency or other similar law now or hereafter in effect or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of JPMCB or for any substantial part of its property or ordering the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of 90 consecutive days; or
- (vii) JPMCB shall commence a voluntary case under any applicable United States federal or state bankruptcy, insolvency or other similar law now or hereafter in effect or consent to the entry of an order for relief in an involuntary case under any such law or consent to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or (or similar official) of JPMCB or for any substantial part of its property, or make any general assignment for the benefit of creditors.

9. Masse

Except as otherwise provided by the relevant Final Terms, Holders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a masse (in each case, the "**Masse**").

The Masse will be governed by those provisions of the French *Code de commerce* (with the exception of the provisions of Articles L.228-48, L.228-59, R.228-63, R.228-67, and R.228-69 thereof), as summarised and supplemented by the conditions set forth below.

(i) Legal Personality

The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through a general meeting of the Holders ("**the General Meeting**").

The Masse alone, to the exclusion of all individuals Holders, shall exercise the common rights actions and benefits which now or in the future may accrue respectively with respect to the Notes.

(ii) Representative

The office of Representative may be conferred on a person of any nationality who agrees to perform such a function.

However, the following persons may not be chosen as Representatives:

- (1) the Issuer, the members of its Board of Directors (*Conseil d'administration*), their Supervisory Board (*Conseil de surveillance*), its general managers (*directeurs généraux*), its statutory auditors, its employees as well as its ascendants, descendants and spouse; or
- (2) the Guarantor, and more generally companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors (*Conseil d'administration*), Executive Board (*Directoire*), or Supervisory Board (*Conseil de surveillance*), their statutory auditors, or employees as well as their ascendants, descendants and spouse; or
- (3) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
- (4) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the Masse and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

(iii) Powers of the General Meetings

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) of Holders, nor establish any unequal treatment between the Holders, nor decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Holders present or represented hold at least a fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by Holders attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 11.

(iv) Information to Holders

Each Holder or Representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Holders at the registered office of the Issuer, at the specified offices of any of the Paying Agents during usual business hours and at any other place specified in the notice of the General Meeting.

(v) Expenses

The Issuer will pay all expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

(vi) Single Masse

The Holders of Notes of the same Series, and the Holders of Notes of any other Series which have been assimilated (*assimilées*) with the Notes of such first mentioned Series in accordance with General Note Condition 10, shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all such Series.

(vii) Convening of the Masse

The Masse shall be convened in accordance with Article L. 228-58 *et seq.* of the French *Code de commerce*, i.e. (without prejudice to any law change subsequent to the date of this Base

Prospectus) by the relevant representative of the Issuer, by the representatives of the Masse or by the liquidators or natural or physical persons performing equivalent functions during any possible winding-up or equivalent insolvency period. One or more Holder of Notes, together holding at least one-thirtieth of the Notes of the Masse, may submit to the Issuer and to the representative of the Masse a request for the meeting to be convened. In the latter case, if the Issuer or the relevant representative do not convene the Masse within two months (or within such longer or shorter period of time as may be specified from time to time by *décret en Conseil d'Etat* or otherwise), the Holder of Notes requesting the convening of the meeting may bring legal proceedings for the appointment of a representative who shall convene the meeting.

10. **Further Issues**

The Issuer may from time to time without the consent of the Holders create and issue further notes having the same terms and conditions as the Notes (with the exception of the first Interest Payment and the Issue Price of the further notes) (so that, for the avoidance of doubt, references in the conditions of such notes to "Issue Date" shall be to the first issue date of the Notes) and so that the same shall be assimilated (*assimilées*) and form a single series with such Notes, and references in these General Note Conditions to "Notes" shall be construed accordingly.

11. **Notices**

- (a) All notices to Holders will be valid if published in a leading daily financial newspaper having general circulation in Paris (which is expected to be *La Tribune* or *Les Echos*) or, if such newspapers shall cease to be published or timely publication in them shall not be practicable, in such other financial daily newspaper having general circulation in Paris.
- (b) So long as the Notes are admitted for trading on Euronext Amsterdam by NYSE Euronext and the rules of such stock exchange so require, all notices regarding the Notes will be deemed to be validly given if published (i) in a daily newspaper with general circulation in the Netherlands (which is expected to be *Het Financieele Dagblad*) and (ii) in the daily official list of Euronext Amsterdam.
- (c) In the case of Notes in registered dematerialised form (*au nominatif*), notices may not be made in accordance with paragraphs (a) and (b) but may be mailed to Holders at their respective addresses in the register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.
- (d) Any notice mentioned in paragraphs (a) and (b) above will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of first publication in all required newspapers.
- (e) Notice to be given by any holder of the Notes shall be in writing and given to the Fiscal Agent via Euroclear France, Euroclear, Clearstream, Luxembourg or any Alternative Clearing System, as the case may be, in such manner as the Fiscal Agent and Euroclear France, Euroclear, Clearstream, Luxembourg or any Alternative Clearing System, as the case may be, may approve for this purpose.

12. **Currency Indemnity**

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or the Guarantor or otherwise) by any Holder in respect of any sum expressed to be due to it from the Issuer or the Guarantor shall only constitute a discharge to the Issuer or the Guarantor, as the case may be, to the extent of the amount in the currency of payment under the relevant Note that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, the Issuer, failing whom the Guarantor, as the case may be, shall indemnify it against

any loss sustained by it as a result. In any event, the Issuer, failing whom the Guarantor shall indemnify the recipient against the cost of making any such purchase. For the purposes of this General Note Condition, it shall be sufficient for the Holder to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantor's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

13. Governing Law and Jurisdiction

The Notes are governed by and shall be construed in accordance with French law. Any claim against the Issuer in connection with any Notes may be brought before any competent court of the jurisdiction of the *Paris* Court of Appeal.

The Guarantee in respect of the Notes shall be governed by and construed in accordance with the law of the State of New York (without reference to the principles of conflicts of law) and all suits, actions and proceedings to enforce any and all rights or obligations relating to the Guarantee, or to resolve any dispute arising under it, shall be brought exclusively before the New York State or Federal Courts located in the State of New York, county of New York.

14. Market Disruption Provisions and Notes Linked to Indices

In relation to any Index Linked Interest Notes and/or Index Linked Redemption Notes, the provisions of, and the terms and expressions defined in Part A of the Schedule to the General Note Conditions and the General Security Conditions, in the case of a Composite Commodity Index, Part B of the Schedule to the General Note Conditions and the General Security Conditions in the case of a Multi-Exchange Index, Part C of the Schedule to the General Note Conditions and the General Security Conditions in the case of a Unitary Exchange Index or Part D of the Schedule to the General Note Conditions and the General Security Conditions in the case of a Proprietary Index (each, a '**Sub-Schedule**'), as the case may be, as may be specified (with or without amendment) in the relevant Final Terms, as being applicable to an Index, shall apply in relation to such Index, and General Note Condition 4(h) and General Note Condition 4(i) are amended accordingly pursuant to the terms of such Sub-Schedule as is stated to be applicable in relation to such Index and such Notes.

15. Additional ADR Provisions

In relation to any Equity Linked Interest Notes and/or Equity Linked Redemption Notes linked to ADRs, the provisions of, and the terms and expressions defined in, this General Note Condition 15, shall, unless otherwise specified in the relevant Final Terms, apply to the ADRs for the purposes of the Notes, and General Note Condition 4(h) and General Note Condition 4(i) are amended as follows in relation to such Notes and such ADRs:

- (i) The definition of "Potential Adjustment Event" in General Note Condition 4(j)(iv) shall include, in relation to the ADRs:
 - (A) the occurrence of any Potential Adjustment Event in relation to the Underlying Share or any other shares or securities represented by the ADRs; and
 - (B) the making of any amendment or supplement to the terms of the Deposit Agreement.
- (ii) The definition of "Merger Event" in General Note Condition 4(j)(ii) shall include, in relation to ADRs, the occurrence of any Merger Event in relation to the Underlying Share.
- (iii) If the Deposit Agreement is terminated, then on or after the date of such termination, references to ADRs shall be replaced by references to the Underlying Share and the

Calculation Agent will adjust any relevant terms and will determine the effective date of such replacement and adjustments.

- (iv) The definitions of "Nationalisation" and "Insolvency" in General Note Condition 4(j)(iv)(B) shall be construed in relation to the ADRs as if references herein to the ADRs of the Share Company were references to the Underlying Share.
- (v) The definition of "Market Disruption Event" in General Note Condition 4(h) shall include, in relation to the ADRs, the occurrence of a Market Disruption Event in relation to the Underlying Share, and, only for the purpose of determining whether a Market Disruption Event has occurred in relation to an Underlying Share, each reference in these General Note Conditions to "Share" or "Shares" shall be construed as a reference to "Underlying Share" or "Underlying Shares", respectively.

"ADRs" means the American depositary receipts specified in the relevant Final Terms.

"Deposit Agreement" means the agreement or other instrument constituting the ADRs, as from time to time amended or supplemented in accordance with its terms.

"Depository" means the depository of the ADRs appointed as such in under the terms of the Deposit Agreement or any successor depository thereunder.

"Share Company" means (i) both the Depository and the Underlying Share Issuer in respect of the ADRs, and (ii) for all other purposes in relation to the Notes, the Depository.

"Underlying Shares" shall be as specified in the relevant Final Terms.

"Underlying Share Issuer" shall be as specified in the relevant Final Terms.

16. **Duties of the Calculation Agent**

The Calculation Agent when making any calculation, determination or adjustment under this General Note Conditions shall act in good faith and in a commercially reasonable manner.

GENERAL SECURITY CONDITIONS

The following is the text of the terms and conditions of the Securities (the "General Security Conditions") that, subject to completion and amendment in accordance with the relevant provisions of the Final Terms, will apply to each issue of Securities.

The Securities are issued with the benefit of an agency agreement (as amended and/or supplemented and/or restated as at the Issue Date, the "**Agency Agreement**") dated 23 April 2009, between J.P. Morgan Structured Products B.V. ("**JPMSP**" or the "**Issuer**") and JPMorgan Chase Bank, N.A. ("**JPMCB**") as guarantor (the "**Guarantor**"), BNP Paribas Securities Services as principal agent and the other agents named in it and with the benefit of a Guarantee (as amended and/or supplemented and/or restated as at the Issue Date, the "**Guarantee**") dated 23 April 2009 executed by the Guarantor irrevocably and unconditionally guaranteeing the due and punctual settlement of all obligations of JPMSP under the Securities. The principal agent, the paying agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Principal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), and the "**Calculation Agent(s)**". Copies of the Agency Agreement and the Guarantee are available for inspection at the specified offices of each of the Principal Agent.

1. **General Security Conditions Applicable only to Warrants**

Unless otherwise specified in the applicable Final Terms, this General Security Condition and the following General Security Conditions 2 to 5 apply only to Securities which are Warrants.

2. **Exercise Rights**

(a) ***Exercise Period—American Style Warrants***

Warrants designated in the relevant Final Terms as "American Style" are exercisable on any Scheduled Trading Day (or such other types of days as may be specified in the relevant Final Terms) during the applicable Exercise Period, subject to (i) General Security Condition 3(a); and (ii) prior termination of the Warrants as provided in General Security Condition 14.

(b) ***Exercise Period—European Style Warrants***

Warrants designated in the relevant Final Terms as "European Style" are only exercisable on the Expiration Date specified in the relevant Final Terms, subject to (i) General Security Condition 3(a); and (ii) prior termination of the Warrants as provided in General Security Condition 14.

(c) ***Exercise Period—Bermudan Style Warrants***

Warrants designated in the relevant Final Terms as "Bermudan Style" are exercisable on any one of two or more Potential Exercise Dates and on the Expiration Date, subject to (i) General Security Condition 3(a); and (ii) prior termination of the Warrants as provided in General Security Condition 14.

(d) ***Entitlement***

The rights attaching to each Warrant on exercise will be as set out in the relevant Final Terms.

(e) ***Failure to Exercise—European Style Warrants***

Any Warrant designated in the relevant Final Terms as "European Style" with respect to which no Exercise Notice has been delivered to the Relevant Clearing System(s) and copied to the Principal Agent, in the manner set out in General Security Condition 3, at or prior to 10.00 a.m. (Local Time) on the relevant Expiration Date shall become void unless the terms of such Warrant state that Automatic Exercise is applicable to them, in which case such Warrant shall be deemed to have been automatically exercised on the Expiration Date.

(f) ***Failure to Exercise—American or Bermudan Style Warrants***

Any Warrant designated in the relevant Final Terms as "American Style" or "Bermudan Style" with respect to which no duly completed Exercise Notice has been delivered to the Relevant Clearing System(s) and copied to the Principal Agent, in the manner set out in General Security Condition 3, at or prior to 10.00 a.m. (Local Time) on the relevant Expiration Date shall be deemed to have been automatically exercised on the Expiration Date and the Exercise Date for such Warrant will be the Expiration Date.

(g) ***Automatic Exercise Warrant Notice Requirement***

In respect of Warrants which are automatically exercised, the relevant Holder shall, to the extent specified by the Issuer in a notice to the Holders given in the manner set out in General Security Condition 19, deliver to the Relevant Clearing System copied to the Principal Agent a notice and the French Paying Agent (an "**Automatic Exercise Warrant Notice**") (substantially in the form provided by the Principal Agent or Dutch Paying Agent to the Relevant Clearing System and Account Holder) within 30 days of the Expiration Date providing the information and certification specified in General Security Condition 3(a)(i) to (xi) inclusive, as applicable. Unless expressly provided otherwise, such Automatic Exercise Warrant Notice shall be deemed to be the Exercise Notice for the purposes of the General Security Conditions. If an Automatic Exercise Warrant Notice is required by the Issuer to be delivered for any Warrants, General Security Condition 20 shall apply.

3. **Exercise Procedure**

(a) ***Exercise Notice***

Warrants may be exercised by delivery, unless otherwise agreed between an Account Holder and the French Paying Agent, of a duly completed exercise notice (substantially in the form provided by the Principal Paying Agent or Dutch Paying Agent to the Relevant Clearing System and Account Holder and with such amendments as the Issuer may specify) to the Relevant Clearing System(s) with, as a further precondition to exercise, a copy to the Principal Agent and the Dutch Paying Agent, in each case not later than 10.00 a.m. (Local Time) (the "**Latest Exercise Time**") on any Scheduled Trading Day (in the case of "American Style" Warrants) or any Potential Exercise Date (in the case of "Bermudan Style" Warrants) during the relevant Exercise Period; provided that, in respect of Warrants designated in the relevant Final Terms as "European Style", such Exercise Notice may be delivered at any time after 10.00 a.m. (Local Time) on the Business Day immediately preceding the Expiration Date but prior to the Latest Exercise Time on the Expiration Date as provided above (an "**Exercise Notice**");

- (i) specifying the number of Warrants of each Series or Tranche being exercised;
- (ii) specifying the number of the Holder's account at the Relevant Clearing System(s) (if applicable) or, in the case of Warrants held through Euroclear France, at the relevant Account Holder to be debited with the Warrants being exercised;
- (iii) irrevocably instructing the Relevant Clearing System(s) or (if applicable) the Account Holder to debit on or before the Settlement Date the account of the relevant Holder with the Warrants being exercised and to credit the account of the French Paying Agent;
- (iv) if the relevant Final Terms confer on the Holder an option to receive upon exercise either (A) Cash Settlement, (B) Issuer Physical Settlement or (C) Holder Physical Settlement, specifying whether the Holder requires Cash Settlement or Physical Settlement. If the relevant Final Terms confer on the Issuer an option to deliver either Cash Settlement or Physical Settlement, its choice shall be notified to the Holders in accordance with General Security Condition 19;
- (v) if the Warrants are to be, or may be, settled by Issuer Physical Settlement (whether in accordance with the Final Terms or at the option of the Issuer or the Holder) including

an irrevocable undertaking to pay the Exercise Amount on or prior to the relevant Settlement Date or otherwise in accordance with the relevant Final Terms;

- (vi) if the Warrants are to be, or may be, settled by Holder Physical Settlement (whether in accordance with the Final Terms or at the option of the Holder or the Issuer) including an irrevocable undertaking to deliver the Reference Asset on or prior to the relevant Settlement Date or otherwise in accordance with the relevant Final Terms;
- (vii) including an irrevocable undertaking to pay (i) any applicable Expenses due by reason of the exercise of Warrants by such Holder including, for the avoidance of doubt, any Expenses which are required by law to be deducted or withheld from any payments or as a result of a transfer of a Reference Asset following the exercise of Warrants and (ii) in the case where Expenses are required to be deducted or withheld by the Holder from payments it makes to the Issuer, such additional amount as is necessary to ensure that the net amount actually received by the Issuer (free and clear of Expenses, whether assessed against Issuer or Holder) will equal the full amount the Issuer would have received had no such deduction or withholding been required;
- (viii) including an authorisation to the Issuer (i) (in the case of Cash Settlement) to deduct any Expenses from the Settlement Amount, (ii) (in the case of Holder Physical Settlement) to deduct any Expenses from the Exercise Amount or any other amount payable by the Issuer to the Holder in connection with the exercise of such Warrants or (iii) (in the case of Issuer Physical Settlement) to delay delivery of the Reference Asset until such Expenses have been paid by the Holder;
- (ix) including a Warrant Account Notice;
- (x) including a Non-U.S. Certification; and
- (xi) authorising the production of such certification in applicable administrative or legal proceedings.

(b) ***Verification of the Holder***

Upon receipt of an Exercise Notice (if any), the Principal Agent will request the Relevant Clearing System, and/or the relevant Account Holder(s) to verify that the person exercising the Warrants specified therein was, as at 10.00 a.m. (Local Time) on the relevant Exercise Date, the Holder thereof according to the books of Relevant Clearing System and/or the relevant Account Holder(s). If the Relevant Clearing System or Account Holder(s) is/are unable so to verify, such Exercise Notice shall be deemed not to have been given.

The Relevant Clearing System(s) will, on or before the Settlement Date, debit the Warrants being exercised from the account of the Holder specified in the Exercise Notice or the account of the Account Holder with Euroclear France (but without prejudice to the accrued rights of the relevant Holder).

(c) ***Cash Settlement***

Subject to:

- (i) the Knock-in Event (if any) having occurred;
- (ii) there not having occurred a Disruption Event;
- (iii) there not having occurred a Knock-out Event (if any);
- (iv) the application of the Credit Linkage Provisions (if relevant); and
- (v) the provisions of (f), (g) and (h) below and the Issuer being satisfied that all notice obligations on the part of the Holder having been complied with,

the Issuer shall, for each Warrant being exercised and which is to be settled by Cash Settlement, on the Settlement Date transfer or procure the transfer of the Settlement Amount, or any other cash payment due in respect of each Warrant in accordance with the relevant Final Terms, less any Expenses which the Issuer is authorised to deduct under the Exercise Notice as applicable, to the Holder's account as specified in the relevant Exercise Notice for value on the Settlement Date.

(d) ***Issuer Physical Settlement***

Subject to:

- (i) the Knock-in Event (if any) having occurred;
- (ii) the application of General Security Condition 20 (if relevant);
- (iii) there not having occurred a Disruption Event or a Settlement Disruption Event;
- (iv) there not having occurred a Knock-out Event (if any);
- (v) the application of the Credit Linkage Provisions (if relevant); and
- (vi) the provisions of (f), (g) and (h) below (as applicable) and the Issuer being satisfied that all notice obligations on the part of the Holder having been complied with,

the Issuer shall, for each Warrant being exercised and which is to be settled by Issuer Physical Settlement, on the Settlement Date (but only if the Exercise Amount (if any) and any other amounts payable by the Holder in connection with such exercise, including the additional amount (if any) under General Security Condition 3(a)(vii), have been received by the Issuer in accordance with the relevant Final Terms and all Expenses have been paid by the Holder in accordance with General Security Condition 3(a)(viii)), deliver or procure delivery of the Reference Asset as contemplated by the relevant Final Terms to the account or person specified in the relevant Exercise Notice, as applicable. For the purposes hereof, delivery of the Reference Asset will be made in accordance with usual market practice for delivery of such Reference Asset.

(e) ***Holder Physical Settlement***

Subject to:

- (i) the Knock-in Event (if any) having occurred;
- (ii) the application of General Security Condition 20 (if relevant);
- (iii) there not having occurred a Disruption Event or a Settlement Disruption Event;
- (iv) there not having occurred a Knock-out Event (if any);
- (v) the application of the Credit Linkage Provisions (if relevant); and
- (vi) the provisions of (f), (g) and (h) below (as applicable) and the Issuer being satisfied that all notice obligations on the part of the Holder having been complied with,

the Issuer shall, for each Warrant being exercised and which is to be settled by Holder Physical Settlement, on the Settlement Date (but only if the Reference Asset required to be delivered by the Holder in connection with such exercise has been received by the Issuer in accordance with the relevant Final Terms) transfer or procure the transfer of the Exercise Amount, less any Expenses which the Issuer is authorised to deduct under the Exercise Notice as applicable, to the Holder's account as specified in the relevant Exercise Notice as applicable, for value on the Settlement Date. For the purposes hereof, the Issuer shall, if necessary, upon receipt of an Exercise Notice, give the Holder and (if applicable) Account Holder sufficient information to enable it to deliver the Reference Asset to the Issuer.

(f) ***Determination***

Any determination as to whether an Exercise Notice is duly completed and in proper form shall be made by the Principal Agent and shall be conclusive and binding on the Issuer, the Guarantor, the Calculation Agent and the Holder. Any Exercise Notice so determined to be incomplete or not in proper form shall be void. If such Exercise Notice is subsequently corrected to the satisfaction of the Principal Agent, it shall be deemed to be a new Exercise Notice submitted at the time the correction is delivered. The Principal Agent will endeavour to notify the Holder of an incomplete Exercise Notice as soon as possible after it becomes aware of the improper exercise.

(g) ***Effect of Exercise of Warrants***

Delivery of an Exercise Notice or, in the case of automatically exercised Warrants, the occurrence of the Exercise Date shall constitute an irrevocable election and undertaking by the relevant Holder to exercise the relevant Warrants. After delivery of such Exercise Notice or occurrence of such Exercise Date (as applicable), such exercising Holder may not otherwise transfer such Warrants. Notwithstanding this, if any Holder does so transfer or attempts so to transfer such Warrants, the Holder will be liable to the Issuer for any Expenses suffered or incurred by the Issuer or any of its affiliates through whom it has hedged its position, including those suffered or incurred as a consequence of the Issuer or any of its affiliates through whom it has hedged its position having terminated or commenced any related hedging operations in reliance on the relevant Exercise Notice or Exercise Date (as applicable) and subsequently (i) entering into replacement hedging operations in respect of such Warrants or (ii) paying any amount on the subsequent exercise of such Warrants without having entered into any replacement hedging operations.

(h) ***Expenses***

A Holder exercising a Warrant shall pay (i) all Expenses, if any, payable in connection with the exercise of the Warrant, (ii) all Expenses in relation to any transfer of the Reference Asset made as a result of such exercise, (iii) all Expenses arising on the exercise of the Warrants in the place in which the Exercise Notice is delivered, (iv) all Expenses involved in delivering the Exercise Notice and (v) all Expenses, if any, involved in complying with the Non-U.S. Certification.

4. **Minimum Number of Warrants Exercisable**

If Warrants are designated as "American Style" or "Bermudan Style" and a Minimum Exercise Number is specified in the relevant Final Terms, then, save in respect of when the Exercise Date is the Expiration Date, the Warrants of such Series or Tranche may only be exercised in the Minimum Exercise Number or such multiples in which such Series or Tranche may be exercised in accordance with the relevant Final Terms.

5. **Maximum Number of Warrants Exercisable**

If Warrants are designated as "American Style" or "Bermudan Style" and a Maximum Exercise Number is specified in the relevant Final Terms, then if, following any Exercise Date other than the Expiration Date, the Issuer determines in its reasonable discretion that more than the Quota were exercised on such Exercise Date by a single Holder or a group of Holders acting in concert, then the Issuer may deem the Valuation Date for the first Quota of Warrants of the relevant Series or Tranche exercised by such Holder or group of Holders to be the originally applicable Valuation Date for Warrants exercised on such Exercise Date, and the Valuation Date for each additional Quota of Warrants of the relevant Series or Tranche (or part thereof, in the case of the last amount) exercised by such Holder or group of Holders to be the respective Valuation Dates applicable to each succeeding date following such Exercise Date on which Warrants of the relevant Series or Tranche could have been exercised, until all such Warrants exercised on such Exercise Date by such Holder or group of Holders have been given a Valuation Date. In any case, where more than the Quota of Warrants of a Series or Tranche are so exercised on the same day by a Holder or group of Holders acting in concert, the order of settlement in respect of such Warrants shall be at the sole and absolute discretion

of the Issuer. Notwithstanding the foregoing, the Issuer may, at any time, in its reasonable discretion, accept more than the Quota of Warrants of a Series or Tranche for exercise on any Exercise Date.

6. General Security Conditions Applicable only to Certificates

Unless otherwise specified in the relevant Final Terms, this General Security Condition and the following General Security Conditions 7 to 10 apply only to Securities which are Certificates.

7. Redemption Rights

Unless previously redeemed, purchased and/or cancelled, and subject to such provisions of General Security Condition 8 below as may be applicable, each Certificate shall be redeemed on the Redemption Date at its Redemption Amount, if any. The Redemption Amount shall be calculated by the Calculation Agent in accordance with the relevant Final Terms and shall be notified to the Relevant Clearing System(s) with a copy to the Principal Agent, the Dutch Paying Agent and the Issuer by no later than 10.00 a.m. (Local Time) on the earlier of one Clearance System Business Day after the Redemption Date and the Settlement Date. If the relevant Final Terms confer on the Issuer an option to deliver either Cash Settlement or Physical Settlement, its choice shall be notified to the Holders in accordance with General Security Condition 19.

8. Redemption Procedure

(a) Cash Settlement

If the relevant Final Terms state that a Non-U.S. Certification is applicable, the Holder shall, in respect of its Certificates, deliver, within 30 days of the Redemption Date, to the Relevant Clearing System(s) with a copy to the Principal Agent and Dutch Paying Agent a certificate:

- (i) providing a Non-U.S. Certification; and
- (ii) authorising production of such certification in applicable administrative or legal proceedings.

Subject to:

- (i) the Knock-in Event (if any) having occurred;
- (ii) the application of General Security Condition 20 (if relevant);
- (iii) there not having occurred a Disruption Event;
- (iv) there not having occurred a Knock-out Event (if any);
- (v) the application of the Credit Linkage Provisions (if relevant); and
- (vi) the provisions of (c) below and the Issuer being satisfied that all notice obligations on the part of the Holder have been complied with,

the Issuer shall, for each Certificate being redeemed and which is to be settled by Cash Settlement, transfer or procure the transfer of the Redemption Amount for value on the Settlement Date in respect of such Certificate, less any Expenses which the Issuer is required by law to deduct or withhold, or is authorised to deduct as specified in General Security Condition 8(c), to the Relevant Clearing System(s) and Account Holder for the credit of the account of the relevant Holder.

(b) Issuer Physical Settlement

Subject to:

- (i) the Knock-in Event (if any) having occurred;

- (ii) the application of General Security Condition 20 (if relevant);
- (iii) there not having occurred a Disruption Event or a Settlement Disruption Event;
- (iv) there not having occurred a Knock-out Event (if any);
- (v) the application of the Credit Linkage Provisions (if relevant); and
- (vi) the provisions of (c) below and the Issuer being satisfied that all notice obligations on the part of the Holder having been complied with,

and in compliance with the paragraphs below, the Issuer shall, for each Certificate being redeemed and which is to be settled by Issuer Physical Settlement, on the Settlement Date deliver or procure delivery of the Reference Asset as contemplated by the relevant Final Terms to the Relevant Clearing System(s) and Account Holder for the credit of the account of the relevant Holder in accordance with usual market practice for delivery of such Reference Asset; provided that the Holder has paid all Expenses specified in General Security Condition 8(c).

In order to obtain delivery of the Reference Assets in respect of such Certificates, the relevant Holder must deliver to the Relevant Clearing System(s) or Account Holder with a copy to the Principal Agent and Dutch Paying Agent, within 30 days of the Redemption Date, a duly completed Certificate Account Notice.

A "Certificate Account Notice (" must:

- (1) specify the name and number of the Holder's account with the Relevant Clearing System or in the case of Warrants held through Euroclear France, with the relevant Account Holder required for delivery as set out in the relevant Final Terms and the person from whom the Issuer may obtain details for the delivery of the Reference Asset if such delivery is to be made otherwise than in the manner specified in the Terms;
- (2) include an authorisation to the Issuer to delay delivery of the Reference Asset until relevant Expenses have been paid by the Holder;
- (3) authorise the production of such notice in any applicable administrative or legal proceedings; and
- (4) provide a Non-U.S. Certification.

Upon receipt of a Certificate Account Notice, the Principal Agent will request the Relevant Clearing System(s) and/or Account Holder(s) to verify that the person specified therein as the Holder is the Holder thereof according to the books of the Relevant Clearing System(s) and/or Account Holder(s). If the Relevant Clearing System(s) and/or Account Holder is/are unable so to verify, such Certificate Account Notice shall be deemed not to have been given. The Relevant Clearing System(s) will on or before the Settlement Date debit the Certificates being redeemed from the account of the Holders and/or of the Account Holder with Euroclear France (but without prejudice to the accrued rights of the relevant Holders).

(c) **Expenses**

A Holder shall pay (and the Issuer is authorised to deduct from the Redemption Amount) (i) all Expenses, if any, payable in connection with the redemption of the Certificates, (ii) all Expenses in relation to any transfer of the Reference Asset made as a result of such redemption, (iii) if the relevant Final Terms specify exercise rights, all Expenses arising in the exercise of the Certificates in the place in which the relevant Exercise Notice is delivered for exercise, (iv) if the relevant Final Terms specify exercise rights, all Expenses involved in delivering the relevant Exercise Notice and (v) all Expenses, if any, involved with complying with the Non-U.S. Certification.

9. **Contingent Coupon**

(a) ***Contingent Coupon Payment Dates***

Each Index Linked Contingent Coupon Certificate and Equity Linked Contingent Coupon Certificate will pay a contingent coupon in respect of the notional amount per Certificate specified in the relevant Final Terms (the "**Notional Amount**") at the rate per annum (expressed as a percentage) equal to the Contingent Coupon Rate, such contingent coupon being payable in arrear on each Contingent Coupon Payment Date. Such Contingent Coupon Payment Date(s) is/are either shown in the relevant Final Terms as Specified Contingent Coupon Payment Dates or, if no Specified Contingent Coupon Payment Date(s) is/are shown in the relevant Final Terms, Contingent Coupon Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Specified Period after the preceding Contingent Coupon Payment Date or, in the case of the first Contingent Coupon Payment Date, after the Issue Date.

(b) ***Business Day Convention***

If any date referred to in these General Security Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day. Notwithstanding the foregoing, where the applicable Final Terms specifies that the relevant Business Day Convention is to be applied on an "unadjusted" basis, the Interest Amount payable on any date shall not be affected by the application of the Business Day Convention.

(c) ***Contingent Coupon Rate and/or Contingent Coupon Amount for Index Linked Contingent Coupon Certificates***

The Contingent Coupon Rate in respect of Index Linked Contingent Coupon Certificates for each Contingent Coupon Period and/or the Contingent Coupon Amount payable on any Contingent Coupon Payment Date shall be determined in the manner specified in the relevant Final Terms and the contingent coupon will be payable by reference to an Index and/or Index Basket and/or Formula as specified in the relevant Final Terms.

(d) ***Contingent Coupon Rate and/or Contingent Coupon Amount for Equity Linked Contingent Coupon Certificates***

The Contingent Coupon Rate in respect of Equity Linked Contingent Coupon Certificates for each Contingent Coupon Period and/or the Contingent Coupon Amount payable on any Contingent Coupon Payment Date shall be determined in the manner specified in the relevant Final Terms and the contingent coupon will be payable by reference to a Share and/or Share Basket and/or Formula as specified in the relevant Final Terms.

(e) ***Maximum/Minimum Contingent Coupon Rates and Rounding***

- (i) If any Maximum Contingent Coupon Rate or Minimum Contingent Coupon Rate is specified in the relevant Final Terms, then any Contingent Coupon Rate shall be subject to such maximum or minimum, as the case may be;
- (ii) For the purposes of any calculations required pursuant to these General Security Conditions (unless otherwise specified in the relevant Final Terms), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one

hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency and in the case of euro means euro 0.01.

10. **Exercise Rights**

Certificates may be issued with exercise rights which shall be specified in the relevant Final Terms in which case the relevant Final Terms may (a) specify the application of General Security Conditions 2 to 5 and the disapplication of General Security Conditions 7 to 10 to such Certificates and (b) make such other consequential changes to these General Security Conditions as may be requisite or desirable in the sole and absolute discretion of the Issuer subject to applicable laws.

11. **General Security Conditions Applicable to Securities**

Unless otherwise specified in the relevant Final Terms, this General Security Condition and the following General Security Conditions 12 to 38 apply to Securities which are Warrants and Securities which are Certificates.

12. **Form, title and Transfer**

(a) **Form and Title**

The Securities are issued in dematerialised form. Title to the Securities will be evidenced in accordance with Article L. 211-4 of the French *Code monétaire et financier* by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R. 211-7 of the French *Code monétaire et financier*) will be issued in respect of the Securities.

The Securities are issued in bearer dematerialised form (*au porteur*), and will be inscribed as from the issue date in the books of Euroclear France ("**Euroclear France**") (acting as central depositary) which shall credit the accounts of Account Holders, including Euroclear Bank S.A./N.V. ("**Euroclear**") and the depositary bank for Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**").

For the purpose of these General Securities Conditions, "**Account Holder**" means any authorised financial intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. ("**Euroclear**") and the depositary bank for Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**").

(b) **Transfer**

Title to the Securities shall pass upon, and transfer of such Securities may only be effected through, registration of the transfer in the accounts of Account Holders.

Except as ordered by a court of competent jurisdiction or as required by law, the Holder of any Securities (as defined below) shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, and no person shall be liable for so treating the holder.

In these General Securities Conditions, "**Holder**" or "**holder**" means the person whose name appears in the account of the relevant Account Holder as being entitled to such Securities.

(c) ***Minimum Transferable Amount***

If a minimum transferable amount is specified in the relevant Final Terms, then the Securities of such Series or Tranche (as applicable) may only be traded in such multiples as are specified in such Final Terms.

13. **Status and Guarantee**

(a) ***Status***

The Securities represent general contractual obligations of JPMSP and are not secured by any property of JPMSP. The Securities rank equally among themselves and, save for such exceptions as may be provided by Applicable Law, *pari passu* with all other unsecured and unsubordinated obligations of JPMSP, but excluding any debts for the time being preferred by Applicable Law and any subordinated obligation.

(b) ***Guarantee***

In accordance with, and subject to the terms of, the Guarantee, JPMCB has irrevocably and unconditionally guaranteed the due and punctual settlement of all obligations of JPMSP under the Securities issued by JPMSP under the Agency Agreement. The Guarantee (i) is an unsecured and unsubordinated general obligation of JPMCB; (ii) is not a savings account or deposit of JPMCB or any bank or non-bank subsidiary of JPMCB; and (iii) is not insured by the U.S. Federal Deposit Insurance Corporation, the U.S. Deposit Insurance Fund or any other governmental agency or instrumentality. The Guarantee is not an obligation of the JPMCB's parent company, JPMorgan Chase & Co., or any of JPMCB's other affiliates. The Guarantee will rank *pari passu* with all other unsecured and unsubordinated indebtedness of JPMCB except obligations, including U.S. domestic deposits, that are subject to any priorities or preferences by law.

(c) ***No Principal Protection***

The Issuer and the Guarantor, hereby provide notice that there is (i) no minimum cash amount payable to a Holder (unless otherwise stated in the relevant Final Terms) or (ii) in the case of Securities to which Physical Settlement applies, no minimum guaranteed value of Reference Assets deliverable to a Holder upon settlement or redemption of the Securities and that this may result in a total loss of the principal invested in the Securities.

14. **Termination by the Issuer**

(a) ***Termination Events***

The Issuer shall have the right to terminate its obligations under the Securities by giving notice to the Holders, the Principal Agent, the Dutch Paying Agent and the Calculation Agent, if it determines in its reasonable discretion in good faith that its performance thereunder, or it becomes aware that the performance of JPMCB under the Guarantee, has become unlawful or impractical in whole or in part as a result of (i) any change in financial, political or economic conditions or currency exchange rates, or (ii) compliance in good faith by the Issuer or the Guarantor with any Applicable Law (the circumstances referred to in (i) and (ii) hereafter referred to as "**Termination Events**").

(b) ***Additional Termination Events***

The Issuer shall have the right to terminate its obligations under the Securities by giving notice to the Holders, the Principal Agent, the Dutch Paying Agent and the Calculation Agent, if it determines in its reasonable discretion in good faith that (i) any circumstances, other than those in subsection 14(a) and which are designated as Additional Termination Events in the relevant Final Terms, have occurred, (ii) any Nationalisation, Delisting, Insolvency, Merger Event or Tender Offer has resulted in Cancellation and Payment (whether pursuant to "Cancellation and Payment" being specified as applicable thereto in the relevant Final Terms or the Securities otherwise becoming subject to cancellation and payment pursuant to the terms of General Security Condition 29) or (iii) due to any action taken by a taxing authority

or brought in a court of competent jurisdiction, or a Change of Tax Law, which causes or is reasonably likely to cause any additional Expenses to arise (by whomsoever payable) (the circumstances referred to in (i), (ii) or (iii) hereafter referred to as "**Additional Termination Events**").

(c) ***Payments upon Termination Events and Additional Termination Events***

If a Termination Event or Additional Termination Event occurs, the Issuer will cause to be paid to each Holder in respect of each such Security held by it an amount determined by the Calculation Agent in its sole and absolute discretion as representing the fair market value of such Security immediately prior to such termination (ignoring, in the case of a Termination Event, such illegality or impracticality), adjusted to account fully for any reasonable expenses and costs of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation on any investment in any share or investment of any type whatsoever, hedging the Issuer's obligations under the Securities) or an amount otherwise determined by the Calculation Agent in its reasonable discretion as specified in the relevant Final Terms. Payment will be made to the Relevant Clearing System(s) and any Account Holder in such manner and shall be notified to the Holders in accordance with the procedure set out in General Security Condition 19. Such amount will be payable by the Issuer to the Holder net of any Expenses that arise on termination whether or not required by any Applicable Law to be deducted or withheld from the payment.

15. **Prescription**

Claims against the Issuer or Guarantor, as the case may be, for payment in respect of the Securities (including, without limitation, claims for any redemption amounts payable, if applicable) shall be prescribed and become void unless made within ten years from the Settlement Date and no claims shall be made after such date.

16. **Purchase**

The Issuer and the Guarantor or any of the Guarantor's subsidiaries and affiliates may at any time purchase Securities at any price in the open market or by tender or private treaty. Any Securities so purchased may be held or resold or surrendered for cancellation.

17. **Agents, Amendments, Calculation Agent, Calculations and Payments**

(a) ***Changes in Agents***

The Issuer reserves the right at any time (and in relation to all Securities or, as the case may be, the Securities of a given Series or Tranche) to vary or terminate the appointment of the Principal Agent, the Dutch Paying Agent and the Calculation Agent (the "**Agents**") and to appoint other or additional Agents, provided that (i) (in relation to Securities admitted to and traded on Euronext Amsterdam by NYSE Euronext (or any other stock exchange) there will always be a Dutch Paying Agent with a specified office in Amsterdam for so long as it remains necessary to do so to comply with the Euronext Amsterdam's listing rules (or in such other place as is required by such other stock exchange), so long as such Securities are so listed, (ii) (in relation to Securities cleared through Euroclear France or admitted to listing on a Regulated Market of Euronext Paris S.A.) there will always be a Principal Paying Agent for so long as it remains necessary to comply with applicable rules, so long as such Securities are so cleared or listed, and (iii) (in relation to all Securities) there will always be a Dutch Paying Agent and a Calculation Agent. Notice of any variation or termination of appointment and of any changes in the specified office of any Agent will be given to the Holders in accordance with the procedures set out in General Security Condition 19. In acting under the Agency Agreement, the Agents are acting solely as agents of the Issuer and do not assume any obligations or duty to, or any relationship of agency for or with, the Holders.

(b) ***Amendments***

(i) The Agency Agreement may be amended by the parties to such agreement, and (ii) terms of any Securities (including these General Security Conditions and as may be completed and/or amended in the relevant Final Terms) may be amended by the Issuer, in each case without the

consent of the Holders if, in the opinion of such parties or the Issuer, as the case may be, the amendment will not materially and adversely affect the interests of the Holders.

(c) **Calculation Agent**

All calculation functions required of the Calculation Agent under these General Security Conditions may be delegated to any such person as the Calculation Agent, in its reasonable discretion, may decide.

(d) **Calculations**

Whenever any matter falls to be determined, considered or otherwise decided upon by the Calculation Agent or any other person (including where a matter is to be decided by reference to the Calculation Agent's or such other person's opinion), unless otherwise stated, that matter shall be determined, considered or otherwise decided upon by the Calculation Agent or such other person, as the case may be, in its reasonable discretion. None of the Calculation Agent, the Issuer and the Guarantor shall have responsibility to the Holders for good faith errors or omissions in the Calculation Agent's calculations and determinations as provided in these General Security Conditions, whether caused by negligence or otherwise. The calculations and determinations of the Calculation Agent shall be made in accordance with the General Security Conditions (having regard in each case to the criteria stipulated herein, and, where relevant, on the basis of the information provided to or obtained by employees or officers of the Calculation Agent responsible for making the relevant calculation or determination) and shall, in the absence of manifest error, be final, conclusive and binding on the Holders.

(e) **Rounding**

For the purposes of any calculations required pursuant to these General Security Conditions (unless otherwise specified in the relevant Final Terms), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country of such currency and in the case of euro means euro 0.01.

(f) **Non-business days**

If any date for payment in respect of any Security is not a Business Day, the Holder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment.

18. **Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Holders, to create and issue further Securities of any Series or Tranche so as to form a single series with the Securities of that Series or Tranche.

19. **Notices**

- (a) All notices to Holders will be valid if published, in a leading daily financial newspaper having general circulation in Paris (which is expected to be *La Tribune* or *Les Echos*) or, if such newspapers shall cease to be published or timely publication in them shall not be practicable, in such other financial daily newspaper having general circulation in Paris.
- (b) So long as the Securities of a Series or Tranche are traded on Euronext Amsterdam by NYSE Euronext (or any other stock exchange), notices to Holders will be valid if delivered to the Principal Agent and the Dutch Paying Agent for communication by them to entitled Holders and published (if relevant to the holders of such listed Securities) in *Het Financieele Dagblad* and in the daily official list of Euronext

Amsterdam (or such other publication required by such other stock exchange) for so long as it remains necessary to do so to comply with the Euronext Amsterdam or such other stock exchange's listing rules.

- (c) Any notice mentioned in paragraphs (a) and (b) above will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of first publication in all required newspapers.
- (d) Notice to be given by any Holder of the Securities shall be in writing and given to the Principal Agent via Euroclear France, Euroclear, Clearstream, Luxembourg or any Alternative Clearing System, as the case may be, in such manner as the Principal Agent and Euroclear France, Euroclear France, Euroclear, Clearstream, Luxembourg as the case may be, may approve for this purpose.

20. **Automatic Exercise Warrant Notice and/or Account Notice**

(a) ***Warrants***

If an Automatic Exercise Warrant Notice is required by the Issuer to be delivered for any Warrant, pursuant to General Security Condition 2(g), then this General Security Condition 20 shall apply. The Settlement Amount of the relevant Security, the Exercise Amount of the relevant Security or the Reference Assets corresponding to the relevant Security will only be paid or delivered, as the case may be, to the relevant Holder if the Relevant Clearing System(s) and/or Dutch Paying Agent and/or Principal Agent, as provided herein or in the relevant Final Terms, receives an Automatic Exercise Warrant Notice in such form as the Relevant Clearing System(s) and/or Dutch Paying Agent and/or Principal Agent considers in its discretion to be satisfactory, within 30 days of the Expiration Date and if no such Automatic Exercise Warrant Notice is received in respect of those Warrants initially subject to Physical Settlement, such Warrants shall be subject to Cash Settlement in all circumstances with such reductions to the Settlement Amount for the Expenses arising as a result of such Holder's failure to have delivered such required Automatic Exercise Warrant Notice. Settlement of Warrants will be made in accordance with General Security Condition 3 except that the Issuer shall, for each Warrant being exercised, transfer or procure the transfer of the Settlement Amount or the Exercise Amount on the Alternative Settlement Date, which shall occur only upon receipt and approval of such Automatic Exercise Warrant Notice, as the case may be.

(b) ***Certificates***

If a Non-U.S. Certification or Certificate Account Notice, as the case may be, is required to be delivered for any Certificates, then this General Security Condition 20 shall apply. The Redemption Amount of the relevant Security or the quantity of Reference Assets corresponding to the relevant Security shall only be paid or delivered, as the case may be, to the relevant Holder if the Relevant Clearing System(s) and/or Dutch Paying Agent and/or Principal Agent, as provided herein or in the relevant Final Terms, receives a Non-U.S. Certification or Certificate Account Notice, as the case may be, in such form as the Relevant Clearing System(s) and/or Dutch Paying Agent and/or Principal Agent considers in its discretion to be satisfactory, within 30 days of the Redemption Date and if no such Certificate Account Notice is received in respect of those Certificates initially subject to Physical Settlement, such Certificates shall be subject to Cash Settlement in all circumstances with such reductions to the Redemption Amount for the Expenses arising as a result of such Holder's failure to have delivered such required Non-U.S. Certification or Certificate Account Notice. Settlement of Certificates will be made in accordance with General Security Condition 8, except that the Issuer shall, for each Certificate being redeemed, transfer or procure the transfer of the Redemption Amount on the Alternative Settlement Date, which shall occur only upon receipt and approval of such Non-U.S. Certification or Certificate Account Notice, as the case may be.

21. **Adjustments Affecting Reference Assets Listed, Quoted or Compiled on a Stock Exchange**

The Final Terms may include additional adjustment provisions relating to Reference Assets listed, quoted or compiled on any stock exchange and conferring authority upon the Issuer to switch or substitute any adjustment provisions applicable to the Reference Assets in these General Security Conditions with the adjustment provisions provided in the relevant Final Terms.

22. **Taxation and Other Expenses**

A Holder will be liable for all Expenses due or payable in connection with any exercise, settlement or redemption of Securities and/or with the resulting transfer of any Reference Asset, including without limitation in connection with any termination pursuant to General Security Condition 14 above or otherwise.

Except as provided in the preceding paragraph, all cash payments on the Securities will be made without deduction or withholding for or on account of any present or future tax, assessment or other governmental charge, of whatever nature, imposed or levied on such payment by or within the Relevant Jurisdiction, except as required by law. In that case, the Issuer or, as the case may be, the Guarantor will, subject to certain limitations and exceptions set forth below, pay to a Holder of Securities who is a United States Alien (in the case of United States-related taxes), or a person who is not a Dutch Tax Resident such additional amounts ("**Additional Amounts**") as may be necessary so that every net payment by the Issuer or the Guarantor or any of the Paying Agents with respect to the Securities after deduction or withholding for or on account of any such present or future tax, assessment or other governmental charge on such payment imposed upon such Holder or as a result of such payment of tax imposed or levied on such payment by or within the Relevant Jurisdiction, will not be less than the amount provided for in such Security to be then due and payable. However, neither the Issuer nor the Guarantor will be required to make any payment of Additional Amounts for or on account of:

- (i) any tax, assessment or other governmental charge which would not have been so imposed but for (A) the existence of any present or former connection between such holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such holder, if such holder is an estate, a trust, a partnership or a corporation) and the Relevant Jurisdiction, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, member, shareholder or assessor) being or having been present therein, being or having been a citizen or resident thereof, being or having been engaged in a trade or business therein or having had a permanent establishment therein, or (B) the failure of such holder or the beneficial owner to comply with any certification, identification or information reporting requirements to establish entitlement to exemption from or reduction of such tax, assessment or other governmental charge;
- (ii) any estate, inheritance, gift, sales, transfer, personal property, or any similar tax, assessment or governmental charge;
- (iii) any tax, assessment or other governmental charge which is payable other than by withholding from payments on a Security;
- (iv) any tax, assessment or other governmental charge which is required to be withheld by a Paying Agent from payments on a Security if such payment can be made without such withholding by at least one other Paying Agent;
- (v) any tax assessment, or other governmental charge payable by a holder, or by a third party on behalf of a holder, who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Security is presented for payment;

- (vi) the presentation (where presentation is required) of a Security for payment on a date more than 10 days after the Relevant Date or the date on which such payment is fully provided for, whichever occurs later;
- (vii) where such withholding or deduction is imposed on a payment to an individual or other entity and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive;
- (viii) any Security presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Security to another Paying Agent in a European Union Member State; or
- (ix) any combination of items (i), (ii), (iii), (iv), (v), (vi), (vii) or (viii) ,

nor shall Additional Amounts be paid with respect to a payment on any Security to a holder that is not the beneficial owner of such Security to the extent that the beneficial owner thereof would not have been entitled to the payment of such Additional Amounts had such beneficial owner been the holder of such Security.

The Issuer undertakes that it will ensure that it maintains a paying agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

As used in these General Security Conditions, the term "**United States**" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; the term "**United States Alien**" means any person who is, for United States federal income tax purposes, as to the United States: (i) a natural person who is not a citizen or resident of the United States, (ii) a foreign corporation, (iii) a foreign partnership any member of which is, as to the United States, a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary of a foreign estate or trust; or (iv) a foreign estate or trust; and the terms "**Dutch Tax Resident**" means in respect of any particular time any person who will be required by Dutch law to file a Dutch tax return in respect of the tax year of assessment which includes that time on the basis that such person is resident in The Netherlands for tax purposes and "**Relevant Jurisdiction**" means the country in which the Guarantor or the Issuer is organised or incorporated or in which payments of any present or future tax, assessment or other governmental charge of whatever nature are regarded as being sourced or by or within any political subdivision or taxing authority thereof or therein.

As used in these General Security Conditions, the term "**Relevant Date**" in respect of any Security means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Holder that such payment has been made, provided that payment is in fact made upon such presentation.

23. **Governing Law and jurisdiction**

The Securities shall be governed by and construed in accordance with French law. Any claim against the Issuer in connection with any Securities may be brought before any court of the jurisdiction of the *Paris* Court of Appeal.

The Guarantee in respect of Securities shall be governed by and construed in accordance with the law of the State of New York (without reference to the principles of conflicts of law) and all suits, actions and proceedings to enforce any and all rights or obligations relating to the Guarantee, or to resolve any dispute arising under it, shall be brought exclusively before the New York State or Federal Courts located in the State of New York, county of New York.

24. **Disruption Events**

- (a) If the Calculation Agent shall, at any time and from time to time, determine in its reasonable discretion that a Disruption Event has occurred or is likely to occur, then the Calculation Agent shall as soon as practicable notify the Holders of the relevant Securities of the occurrence of a Disruption Event in accordance with General Security Condition 19 above whereupon the provisions of General Security Condition 24(b) or (c) below shall become applicable.
- (b) Upon the occurrence of a Payment Disruption Event:
- (i) the Exercise Date, the Redemption Date, Contingent Coupon Payment Date, the Settlement Date or any other date on which the Securities may be exercised or redeemed or any amount shall be due and payable in respect of the relevant Securities shall, subject to General Security Condition 24(b)(iv), be extended to a date falling 14 calendar days (or such other date as may be determined by the Calculation Agent and notified to the Holders in accordance with General Security Condition 19) after the date on which the Payment Disruption Event is no longer occurring, if relevant, and on which the Hedging Entity is able to, or would be able to, sell or otherwise realise all of the Reference Assets held by the Hedging Entity to hedge the Issuer's obligations in respect of the relevant Securities and notice thereof shall be given to the relevant Holders in accordance with General Security Condition 19;
 - (ii) the Issuer's obligation to pay the Settlement Amount, Exercise Amount, Contingent Coupon Payment Date, Redemption Amount or any such other amounts in respect of the relevant Securities or deliver any relevant Reference Asset, subject to General Security Condition 24(b)(iv), shall be postponed until 14 calendar days (or such other date as may be determined by the Calculation Agent and notified to the Holders in accordance with General Security Condition 19) after the date on which the Payment Disruption Event is no longer operating, if relevant, and on the date on which the Hedging Entity is able to, or would be able to, sell or otherwise realise all of the Reference Assets held by the Hedging Entity to hedge the Issuer's obligation in respect of the relevant Securities. Notwithstanding the foregoing, in the event that the Hedging Entity is able to sell or otherwise realise a part but not all of the Reference Assets held by the Hedging Entity to hedge the Issuer's obligation in respect of the relevant Securities, the Issuer may, in its reasonable discretion, satisfy in part its obligation to pay the amounts as may be due and payable under the relevant Securities by making a partial payment(s) or deliveries, as the case may be, based upon the relevant amount of the Reference Assets that the Hedging Entity has been able to sell or otherwise realise in respect of the relevant Securities (the "**Partial Distributions**"). Any Partial Distribution made by the Issuer to the Holders will be calculated and/or determined by the Calculation Agent in its reasonable discretion and shall be paid and/or delivered to the Holders *pro rata* to the proportion of the Securities of the same series held by the relevant Holder. In the event that any Partial Distribution is made by the Issuer, the Calculation Agent may, in its reasonable discretion, make any such corresponding adjustment to any variable relevant to the settlement, redemption or payment terms of the relevant Securities as it deems necessary and shall notify the relevant Holders thereof in accordance with General Security Condition 19;
 - (iii) for the avoidance of doubt and notwithstanding any provisions to the contrary, (a) any such payments or deliveries made in accordance with this General Security Condition 24 shall be made after deduction of any costs, expenses or liabilities incurred or to be incurred by the Calculation Agent or Issuer in connection with or arising from the resolution of the relevant Payment Disruption Event(s) (including, without limitation, any additional custodial fees); and (b) no interest shall be paid by the Issuer in respect of any delay which may occur in the payment of any amounts due and payable under the Securities as a result of the operation of this General Security Condition 24; and
 - (iv) in the event that a Payment Disruption Event is still occurring and there remain Reference Assets held by the Hedging Entity to hedge the Issuer's obligations in respect of the Securities which have not been sold or otherwise realised before the Payment

Event Cut-off Date, the Exercise Date, the Redemption Date, the Settlement Date, Contingent Coupon Payment Date or any other date on which the relevant Reference Assets are due to be delivered or redemption amounts in relation to any of the Securities shall be due and payable (as the case may be) for the relevant Securities shall fall on the Payment Event Cut-off Date and the value of the remaining Reference Assets held by the Hedging Entity which are still subject to the Payment Disruption Event or have not been sold or realised by the Hedging Entity shall be deemed to be zero. Thereafter, the Issuer shall have no obligations whatsoever under the Securities.

- (c) Upon the occurrence of a Disruption Event other than a Payment Disruption Event, the Securities shall be subject to the provisions specified in the relevant Final Terms.

25. Settlement Disruption

If, in respect of a Security to which Physical Settlement applies, a Settlement Disruption Event prevents delivery of any relevant Reference Asset on the applicable Settlement Date, then the Settlement Date will be the first succeeding date on which delivery of the Reference Assets can take place through the Relevant Clearing System unless a Settlement Disruption Event prevents settlement on each of the eight relevant Clearance System Business Days immediately following the original date that, but for the Settlement Disruption Event, would have been the Settlement Date. In that case:

- (a) if such Reference Assets can be delivered in any other commercially reasonable manner, then the Settlement Date will be the first date on which settlement of a sale of Reference Assets executed on that eighth relevant Clearance System Business Day customarily would take place using such other commercially reasonable manner of delivery (which other manner of delivery will be deemed the Relevant Clearing System for the purposes of delivery of the relevant Reference Assets);
- (b) if such Reference Assets cannot be delivered in any other commercially reasonable manner, then the Settlement Date will be postponed until delivery can be effected through the Relevant Clearing System or in any other commercially reasonable manner; and
- (c) such Holder shall not be entitled to any payment, whether of interest or otherwise, on such Security in the event of any delay in the delivery of the Redemption Amount or Settlement Amount pursuant to this paragraph and no liability in respect thereof shall attach to the Issuer, the Guarantor or the Principal Agent.

For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Reference Assets comprised in a Basket, the Settlement Date for Reference Assets not affected by the Settlement Disruption Event will be the original Settlement Date and the Settlement Date for Reference Assets affected by the Settlement Disruption Event shall be determined as set forth above. In the event that a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Reference Assets comprised in a Basket, the Calculation Agent shall determine in its reasonable discretion (i) the appropriate *pro rata* portion of the Settlement Amount or the Redemption Amount, as the case may be, to be delivered by the relevant party in respect of that partial settlement and (ii) the appropriate *pro rata* portion of Exercise Amount to be paid by the relevant party in respect of the partial settlement. For the avoidance of doubt, notwithstanding the foregoing, the Holder will be required to comply with any Non-U.S. Certification as a precondition to any Physical Settlement.

For so long as delivery of the Reference Assets in respect of any Security is prevented by reason of a Settlement Disruption Event, then notwithstanding that Physical Settlement is specified in the Final Terms, or any other provision hereof, the Issuer may elect in its reasonable discretion to satisfy its obligations in respect of the relevant Security by payment to the relevant Holder of the relevant Disruption Cash Settlement Price not later than on the third Clearance System Business Day following the date that the notice of such election (the "**Election Notice**") is given to the Holders in accordance with General Security Condition 19.

Payment of the relevant Disruption Cash Settlement Price will be made in such manner as shall be notified to the Holders in accordance with General Security Condition 19.

For the avoidance of doubt, if during the period of time after the applicable Settlement Date, the Issuer, any affiliate of the Issuer or any other entity acting on behalf of the Issuer shall be the legal owner of any securities or other assets that may comprise a part of any Reference Assets (the "**Intervening Period**"), whether owned in connection with such entity's hedge of its obligations, directly or indirectly, under the Securities or otherwise held in its normal course of business, neither the Issuer nor any of its affiliates or such other entities shall be under any obligation or liability to any Holder in respect of such Reference Assets, including (i) any obligation to deliver to the relevant Holder, or procure delivery to the relevant Holders of, any letter, certificate, notice, circular or any other document or payment (including any interest, dividend or any other distribution in respect of any Reference Asset(s)) whatsoever received by the Issuer, any of its affiliates or any such other entities in its capacity as the holder of such Reference Asset(s), (ii) any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such Reference Asset(s) during the Intervening Period or (iii) any liability to the relevant Holder or any subsequent legal or beneficial owner in respect of any loss or damage which the relevant Holder or legal or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner of such Securities during such Intervening Period. In furtherance of the foregoing, each Holder of a Security linked to Reference Assets shall be deemed to have represented to the Issuer that it does not have, arising from its legal or beneficial ownership of a Security, a lien or any other type of security interest in or any other claim or entitlement to any such Reference Asset held by the Issuer or any such affiliate or other entity.

Where the Redemption Amount or Settlement Amount comprises, in the reasonable determination of the Issuer, fractions of Reference Assets, the Holder will receive Reference Assets comprising the nearest number (rounded down) of Reference Assets capable of being delivered by the Issuer (taking into account that a Holder's entire holding may be aggregated at the Issuer's discretion for the purpose of delivering the Reference Assets), and no such additional cash amounts shall be paid in respect of the value of the amount of the relevant Reference Asset so rounded down.

26. Consequences of Non-Scheduled Trading Days and/or Disrupted Days

(A) Subject as provided in General Security Condition 37, if in respect of any relevant Index or Share (as defined in the relevant Final Terms) the Calculation Agent determines that any Valuation Date or Initial Valuation Date, as the case may be, is not a Scheduled Trading Day or is a Disrupted Day in respect of such Index or Share:

(a) in the case of Securities on a single Index or Securities on a single Share, the Valuation Date or the Initial Valuation Date, as the case may be, shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day in respect of such Index or Share, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Disruption Extension Period immediately following the Scheduled Valuation Date or Scheduled Initial Valuation Date, as the case may be, is a Disrupted Day. In that case, subject to General Security Condition 26(A)(d), (i) that last consecutive Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine:

(x) in respect of Securities on a single Index, the Closing Index Level as of the Valuation Time on that last consecutive Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using:

(I) in respect of Components which are share securities, the Exchange traded or quoted price as of the relevant Valuation Time on that last consecutive Scheduled Trading Day of each such Component comprised in the Index (or, if an event giving rise to a Disrupted

Day has occurred in respect of any such Component (as if each such Component had been specified as a Share in respect of the Securities) on that last consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant Component as of the relevant Valuation Time on that last consecutive Scheduled Trading Day); or

- (II) in respect of Components which are not share securities, the latest available quotation or such other levels or values of each such Component as the Calculation Agent determines to be appropriate, as of the relevant Valuation Time on that last consecutive Scheduled Trading Day,

(and such determination by the Calculation Agent pursuant to this paragraph (x) shall be deemed to be the Closing Index Level in respect of the relevant Initial Valuation Date or Valuation Date, as the case may be); and

- (y) in respect of Securities on a single Share, its good faith estimate of the value of the share as of the Valuation Time on that last consecutive Scheduled Trading Day (and such good faith estimate by the Calculation Agent pursuant to this paragraph (y) shall be deemed to be the Closing Share Price in respect of the relevant Initial Valuation Date or Valuation Date, as the case may be);
- (b) in the case of Securities on an Index Basket, the Valuation Date or the Initial Valuation Date, as the case may be, for each Index not affected by the occurrence of a Disrupted Day and for which the Scheduled Valuation Date or the Scheduled Initial Valuation Date, as the case may be, is a Scheduled Trading Day (as determined by the Calculation Agent) shall be the Scheduled Valuation Date or the Scheduled Initial Valuation Date, as the case may be, and the Valuation Date or the Initial Valuation Date, as the case may be, for each Index in respect of which the Initial Valuation Date or Valuation Date, as the case may be, is not a Scheduled Trading Day and/or is affected by the occurrence of a Disrupted Day (as determined by the Calculation Agent) shall be the first succeeding Scheduled Trading Day which the Calculation Agent determines is not a Disrupted Day relating to that Index, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days equal in number to the Maximum Disruption Extension Period immediately following the Scheduled Valuation Date or the Scheduled Initial Valuation Date, as the case may be, is a Disrupted Day relating to that Index. In that case, subject to General Security Condition 26(A)(d), (i) that last consecutive Scheduled Trading Day shall be deemed to be the Valuation Date or the Initial Valuation Date, as the case may be, for the relevant Index notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Closing Index Level of that Index as of the Valuation Time on that last consecutive Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using:
 - (I) in respect of Components which are share securities, the Exchange traded or quoted price as of the relevant Valuation Time on that last consecutive Scheduled Trading Day of each such Component comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of any such Component (as if each such Component had been specified as a Share in respect of the Securities) on that last consecutive Scheduled Trading Day, its good faith estimate of the value for the relevant Component as of the relevant Valuation Time on that last consecutive Scheduled Trading Day); or
 - (II) in respect of Components which are not share securities, the latest available quotation or such other levels or values of each such Component as the Calculation Agent determines to be appropriate, as of the relevant Valuation Time on that last consecutive Scheduled Trading Day,

(and such determination by the Calculation Agent pursuant to this paragraph (b) shall be deemed to be the Closing Index Level in respect of the relevant Initial Valuation Date or Valuation Date, as the case may be);

- (c) in the case of Securities on a Share Basket, for each Share not affected by the occurrence of a Disrupted Day and for which the Scheduled Valuation Date or the Scheduled Initial Valuation Date, as the case may be, is a Scheduled Trading Day (as determined by the Calculation Agent), the Valuation Date or the Initial Valuation Date as the case may be shall be the Scheduled Valuation Date or the Scheduled Initial Valuation Date, as the case may be, and the Valuation Date for each Share in respect of which the Initial Valuation Date or the Valuation Date, as the case may be, is not a Scheduled Trading Day and/or is affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Share, unless each of the consecutive Scheduled Trading Days equal in number to the Maximum Disruption Extension Period immediately following the Scheduled Valuation Date or the Scheduled Initial Valuation Date, as the case may be is a Disrupted Day relating to that Share. In that case, (subject to General Security Condition 26(A)(d)) (i) that last consecutive Scheduled Trading Day shall be deemed to be the Valuation Date or Initial Valuation Date, as the case may be, for the relevant Share notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine its good faith estimate of the value for the Share as of the Valuation on Time on that last consecutive Scheduled Trading Day (and such good faith estimate by the Calculation Agent pursuant to this paragraph (c) shall be deemed to be the Closing Share Price in respect of the relevant Initial Valuation Date or Valuation Date, as the case may be); and
- (d) notwithstanding the terms of General Security Conditions 26(A)(a), (b) or (c) above, if:
 - (x) following adjustment pursuant to the terms thereof in relation to a Share (for the purposes of this paragraph (d), an "**Affected Share**") or an Index (for the purposes of this paragraph (d), an "**Affected Index**"), the Initial Valuation Date or Valuation Date, as the case may be, for such Affected Share or Affected Index, as the case may be, would otherwise fall after the applicable Correction Cut-off Date for such date in respect of such Affected Share or Affected Index, as the case may be, such Correction Cut-off Date shall be deemed to be the Initial Valuation Date, Interest Valuation Date or Valuation Date, as the case may be, for such Affected Share or Affected Index, as the case may be, and if such Correction Cut-off Date is not a Scheduled Trading Day or is a Disrupted Day in respect of such Share or Index, as the case may be, General Security Conditions 26(A)(a), (b) or (c), as the case may be, shall apply as if references in that General Security Condition to "that last consecutive Scheduled Trading Day" were instead references to "such Correction Cut-off Date"; or
 - (y) the relevant Final Terms specify "No Adjustment" in relation to an Index or a Share, as the case may be, then if the Scheduled Initial Valuation Date or Scheduled Valuation Date, as the case may be, is not a Scheduled Trading Day or is a Disrupted Day in respect of such Index or Share, as the case may be, General Security Conditions 28(A)(a), (b) or (c), as the case may be, shall apply as if references in that General Security Condition to "that last consecutive Scheduled Trading Day" were instead references to "the Scheduled Initial Valuation Date or Scheduled Valuation Date, as the case may be".

- (B) If "**Initial Averaging Date(s)**" and/or "**Averaging Date(s)**" are specified in the relevant Final Terms to be applicable, the following provisions will apply in relation thereto (save unless otherwise specified in the relevant Final Terms):

If the Calculation Agent determines that a Scheduled Initial Averaging Date or Scheduled Averaging Date, as the case may be, is not a Scheduled Trading Day or is a Disrupted Day in

respect of an Index or a Share, as the case may be, and, if in the relevant Final Terms the consequence specified is:

- (i) **"Omission"**, then such Initial Averaging Date or Averaging Date, as the case may be, will be deemed not to be a relevant Initial Averaging Date or Averaging Date, as the case may be, for the purposes of determining the Closing Index Level or Closing Share Price, as the case may be, provided that, if through the operation of this provision there would not be an Initial Averaging Date or Averaging Date, as the case may be, then General Security Condition 26(A) will apply *mutatis mutandis* for the purposes of determining the relevant Closing Index Level or Closing Share Price, as the case may be, on the final Initial Averaging Date or final Averaging Date, as if such Initial Averaging Date or Averaging Date, as the case may be, was a Valuation Date that was not a Scheduled Trading Day and/or was a Disrupted Day;
- (ii) **"Postponement"**, then General Security Condition 26(A) will apply *mutatis mutandis* for the purposes of determining the Closing Index Level or Closing Share Price, as the case may be, on that Initial Averaging Date or Averaging Date, as the case may be, as if such Initial Averaging Date or Averaging Date were a Valuation Date that was not a Scheduled Trading Day and/or was a Disrupted Day, irrespective of whether, pursuant to such determination, that deferred Initial Averaging Date or Averaging Date, as the case may be, would fall on a day that already is or is deemed to be an Initial Averaging Date or Averaging Date, as the case may be; or
- (iii) **"Modified Postponement"**, then (a) where the Securities are specified in the relevant Final Terms to relate to a single Index or a single Share, as the case may be, the Initial Averaging Date or Averaging Date, as the case may be, shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the consecutive Scheduled Trading Days equal in number to the Maximum Disruption Extension Period immediately following the relevant Scheduled Initial Averaging Date or Scheduled Averaging Date that, but for the occurrence of another Initial Averaging Date or Averaging Date or non-Scheduled Trading Day or Disrupted Day, as the case may be, would have been the final Initial Averaging Date or final Averaging Date, as the case may be, then (A) that last consecutive Scheduled Trading Day shall be deemed the Initial Averaging Date or Averaging Date, as the case may be (irrespective of whether that last consecutive Scheduled Trading Day is already an Initial Averaging Date or Averaging Date, as the case may be) and (B) the Calculation Agent shall determine the Closing Index Level or Closing Share Price, as the case may be, for that Initial Averaging Date or Averaging Date, as the case may be, in accordance with General Security Condition 26(A) as if such Initial Averaging Date or Averaging Date were a Valuation Date; and (b) where the Securities are specified in the relevant Final Terms to relate to an Index Basket or a Share Basket, as the case may be, subject to General Security Condition 26(C), the Initial Averaging Date or Averaging Date, as the case may be, for each Index or each Share, as the case may be, in respect of which the relevant Scheduled Initial Averaging Date or Scheduled Averaging Date, as the case may be, is a Scheduled Trading Day which is not affected by the occurrence of a Disrupted Day shall be the relevant Scheduled Initial Averaging Date or Scheduled Averaging Date, as the case may be, and the Initial Averaging Date or Averaging Date, as the case may be, for an Index or a Share, as the case may be, in respect of which the Initial Averaging Date or Averaging Date, as the case may be, is not a Scheduled Trading Day and/or is affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index or such Share (subject as provided in the last paragraph hereof). If the first succeeding Valid Date in relation to such Index or such Share, as the case may be, has not occurred as of the Valuation Time on the consecutive Scheduled Trading Days equal in number to the Maximum Disruption Extension Period immediately following the relevant Scheduled Initial Averaging Date or Scheduled Averaging Date then (subject as provided in the last paragraph hereof), (A) that last consecutive Scheduled Trading Day shall be deemed the Initial Averaging Date or Averaging Date, as the case may be (irrespective of whether that last consecutive Scheduled Trading Day is already an Initial Averaging Date or Averaging Date, as the case may be) in respect of such Index or such Share, as the case may be, and (B) the Calculation Agent shall determine the Closing Index Level or Closing

Share Price, as the case may be, for that Initial Averaging Date or Averaging Date, as the case may be, in accordance with General Security Condition 26(A) as if such Initial Averaging Date or Averaging Date were a Valuation Date.

- (C) Notwithstanding the foregoing terms of this General Security Condition 26, if:
- (i) following adjustment pursuant to the terms of General Security Condition 26(B) in relation to an Index (for the purposes of this paragraph (iii), an "**Affected Index**"), or a Share for the purposes of this paragraph (iii), an "**Affected Share**"), as the case may be, the Initial Averaging Date or Averaging Date, as the case may be, for such Affected Index or Affected Share, as the case may be, would otherwise fall after the applicable Correction Cut-off Date for such date in respect of such Affected Index or Affected Share, as the case may be, then (A) such Correction Cut-off Date shall be deemed to be the Initial Averaging Date or Averaging Date, as the case may be, for such Affected Index or Affected Share, as the case may be (irrespective of whether after such Correction Cut-off Date is already an Initial Averaging Date or Averaging Date, as the case may be) and (B) the Calculation Agent shall determine the Closing Index Level or the Closing Share Price, as the case may be, for that Initial Averaging Date or Averaging Date, as the case may be, in accordance with the relevant part of General Security Condition 26(B) (as if references in that condition to "that last consecutive Scheduled Trading Day" were instead references to "such Correction Cut-off Date"); or
 - (ii) the relevant Final Terms specify "No Adjustment" in relation to an Index or a Share, as the case may be, then if the Scheduled Initial Averaging Date or Scheduled Averaging Date, as the case may be, is not a Scheduled Trading Day or is a Disrupted Day in respect of such Index or Share, as the case may be, General Security Conditions 26(A)(a), (b) or (c), as the case may be, shall apply as if references in that General Security Condition to "that last consecutive Scheduled Trading Day" were instead references to "the Scheduled Initial Averaging Date or Scheduled Averaging Date, as the case may be".

27. **Notice of Settlement Disruption Event, Disrupted Day and Disruption Event**

(a) ***Settlement Disruption Event***

If reasonably practicable in the circumstances, the Calculation Agent shall as soon as reasonably practicable notify the Holders by notice to the Principal Agent and the Dutch Paying Agent of the existence of a Settlement Disruption Event on any day that but for the occurrence or existence of a Settlement Disruption Event would have been a Settlement Date.

(b) ***Disrupted Days***

The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders by notice to the Principal Agent, the Dutch Paying Agent and the Relevant Clearing System(s) of the occurrence of a Disrupted Day on any day that but for the fact it is a Disrupted Day would have been a Valuation Date, an Initial Valuation Date, an Averaging Date or an Initial Averaging Date.

(c) ***Disruption Event***

The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Holders by notice to the Principal Agent, the Dutch Paying Agent and the Relevant Clearing System(s) of the existence of a Disruption Event on any day but for the occurrence or existence of a Disruption Event would have been a Settlement Date.

28. **Adjustments to Index for all Securities on a Single Index and Securities on an Index Basket**

(a) ***Adjustments to Index***

- (A) If, in respect of Securities on a single Index or Securities on an Index Basket, a relevant Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then that Index (the "**Successor Index**") will be deemed to be the Index. The Calculation Agent shall make such adjustment(s) that it determines, in its reasonable discretion, to be appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms in respect of the Securities to account for such replacement.
- (B) If (i) on or prior to any Valuation Date, Initial Valuation Date, Initial Averaging Date, Averaging Date or other relevant date specified in the relevant Final Terms, as the case may be, in respect of Securities on a single index or Securities on an Index Basket, a relevant Index Sponsor or (if applicable) Successor Index Sponsor announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation and other routine events) (an "**Index Modification**") or permanently cancels the Index and no Successor Index exists (an "**Index Cancellation**") or (ii) subject to General Security Condition 37, if applicable, on any Valuation Date, Initial Valuation Date, Initial Averaging Date, Averaging Date or other relevant date specified in the relevant Final Terms, as the case may be, in respect of Securities on a single Index or Securities on an Index Basket, the Index Sponsor or (if applicable) Successor Index Sponsor does not calculate and announce a relevant Index (and provided that if the Index is a Composite Commodity Index, a Multi-Exchange Index or a Proprietary Index, the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of a Disrupted Day) (an "**Index Disruption**", together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), then the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Securities and, if so, shall calculate the relevant Settlement Amount or Redemption Amount, as the case may be, using, in lieu of a published level for that Index, the level for that Index as at the relevant date as determined by the Calculation Agent in its reasonable discretion in accordance with the formula for and method of calculating that Index last in effect prior to that change, failure or cancellation, but using only those Components that comprised that Index immediately prior to that Index Adjustment Event.

(b) ***Alternative Index***

In the event that the Calculation Agent determines, in its reasonable discretion, that it is not reasonably practicable (taking into account the costs involved) to calculate or continue to calculate the Index on the basis of General Security Condition 28(a)(B) above, the Calculation Agent may rebase Securities on a single Index or Index Basket against another index determined by the Calculation Agent, in its reasonable discretion, to be a comparable index and, following such rebasing, the Calculation Agent shall make such adjustment(s) that it determines, in its sole and absolute discretion, to be appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms in respect of the Securities to account for such rebasing.

If the Calculation Agent determines in its reasonable discretion that there is not such a comparable index, the Issuer may elect to terminate the Securities by giving notice to the Holders in accordance with General Security Condition 19 of such situation and the fair market value (adjusted to account fully for any reasonable expenses and costs of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, on any investment in any share or investment of any type whatsoever, hedging the

Issuer's obligations under the Securities)), as determined by the Calculation Agent in its discretion, and the fair market value (as adjusted) so determined to be payable in respect of a Security, or an amount otherwise determined by the Calculation Agent in its sole and absolute discretion as specified in the relevant Final Terms, shall be payable on the date specified in such notice.

(c) ***Correction of Index Levels***

In the event that any price or level published by the Index Sponsor on any date and which is utilised for any calculation or determination is subsequently corrected and the correction is published by the Index Sponsor within one Settlement Cycle after the original publication and in any event, on or before the applicable Correction Cut-off Date specified in the relevant Final Terms on or before the Correction Cut-off Date, the Calculation Agent will determine the amount that is payable or deliverable as a result of that correction, and, to the extent necessary, will adjust any relevant terms of the Securities to account for such correction and will notify the Fiscal Agent and the Holders thereof (in accordance with General Security Condition 19) and, so long as the Securities are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, a copy of such notice shall be given to such listing authority, stock exchange and/or quotation system (including, so long as the Securities are admitted on Euronext Amsterdam by NYSE Euronext).

29. **Adjustments affecting Securities on a Single Share and Securities on a Share Basket**

(a) ***Adjustments***

(A) **"Method of Adjustment"** means a method for determining the appropriate adjustment to make to the terms of a Security on a single Share or Securities on a Share Basket upon the occurrence of an event having, in the determination of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

(B) If **"Options Exchange Adjustment"** is specified as the Method of Adjustment in the relevant Final Terms, then following each adjustment to the exercise, settlement, payment or other terms of options on any relevant Shares traded on any Options Exchange, the Calculation Agent will make the corresponding adjustments, if any, to any one or more of the Exercise Amount, the Settlement Amount or the Redemption Amount, as the case may be, the number of Reference Assets or Shares comprised in the Basket, as applicable, and any other variable relevant to the exercise, settlement, redemption, payment terms, number of, or other terms of the Securities, as determined by the Calculation Agent, which adjustment will be effective as of the date determined by the Calculation Agent in its reasonable discretion to be the effective date of the corresponding adjustment made by the Options Exchange. Notwithstanding the above, in addition to or instead of varying the Exercise Amount, the Settlement Amount, the Redemption Amount or the number of Reference Assets or Shares in the Basket, as applicable, in relation to Securities affected by an event having, in the determination of the Calculation Agent, a dilutive of or concentrative effect on the theoretical value of the relevant Shares, the Calculation Agent may distribute to the holders of the outstanding Securities additional Securities on a delivery versus payment basis in consideration for a cash amount to be determined by the Calculation Agent in its reasonable discretion. If options on the relevant Shares are not traded on the Options Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of the relevant variables referred to above or any other variable relevant to the exercise, settlement, redemption, payment or other terms of the Securities as the Calculation Agent determines in its reasonable discretion appropriate, with reference to the rules of and precedents (if any) set by the Options Exchange, to account for the diluting or concentrative effect of any event that, in the determination of the Calculation Agent would have given rise to an adjustment by the Options Exchange if such options were so traded.

(C) If **"Calculation Agent Adjustment"** is specified as the Method of Adjustment in the relevant Final Terms (or if no Method of Adjustment is specified in the relevant Final Terms), then following the declaration by the issuer of the relevant Share of the terms

of any Potential Adjustment Event, the Calculation Agent will determine, in its reasonable discretion, whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will:

- (i) make the corresponding adjustment(s), if any, to any one or more of the Exercise Amount, the Settlement Amount or the Redemption Amount, as the case may be, the number of Reference Assets or number of shares comprised in a Basket, as applicable, and any other variable relevant to the exercise, settlement, redemption, payment terms, number of, or other terms of the Securities as the Calculation Agent determines in its reasonable discretion appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share); and
- (ii) determine the effective date(s) of such adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Shares traded on such options exchange;

provided that, notwithstanding the above, in addition to or instead of varying the Exercise Amount, the Settlement Amount, the Redemption Amount or the number of Reference Assets or number of shares comprised in a Basket, as applicable, in relation to Securities affected by an event having, in the determination of the Calculation Agent, a dilutive or concentrative effect on the theoretical value of the relevant Shares, the Calculation Agent may (x) distribute to the holders of the outstanding relevant Securities additional Securities free of payment; or (y) distribute to the holders of the outstanding relevant Securities additional securities on a delivery versus payment basis in consideration for a cash amount to be determined by the Calculation Agent in its reasonable discretion.

(D) **"Options Exchange"** means, in respect of Securities for which Options Exchange Adjustment is the applicable Method of Adjustment and/or the applicable consequence of one or more types of Merger Event under General Security Condition 29(c) (iii), the exchange or quotation system specified as such in the related Terms or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in options contracts relating to the relevant Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such options contracts on such temporary substitute exchange or quotation as on the original Options Exchange) or, if no such exchange or quotation system is specified, the Related Exchange (if such Related Exchange trades options contracts relating to the relevant Share) or, if more than one such Related Exchange is specified in the relevant Final Terms, the Related Exchange selected by the Calculation Agent as the primary market for listed options contracts relating to the relevant Share.

(E) **"Potential Adjustment Event"** means any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the relevant Shares of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the issuer of the relevant Shares equally or proportionately with such payments to holders of such Shares, or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the issuer of the relevant Shares as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent in its reasonable discretion;

- (iii) a dividend or portion thereof that the Calculation Agent, in its reasonable discretion, determines should be characterised as an extraordinary dividend;
- (iv) a call by the issuer of the relevant Shares in respect of relevant Shares that are not fully paid;
- (v) a repurchase by the issuer of the relevant Shares, or any of its subsidiaries, of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) in respect of the issuer of the relevant Shares, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of that issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (vii) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

(b) ***General Provisions relating to Extraordinary Events***

"Announcement Date" means, in respect of an Extraordinary Event and in each case as determined by the Calculation Agent, (a) in the case of a Merger Event, the date of the first public announcement of a firm intention to engage in a transaction (whether or not subsequently amended) that leads to the Merger Event, (b) in the case of a Tender Offer, the date of the first public announcement of a firm intention to purchase or otherwise obtain the requisite number of voting shares (whether or not subsequently amended) that leads to the Tender Offer, (c) in the case of an Index Disruption or Index Cancellation the date of the first public announcement by the Index Sponsor of any adjustment or cancellation that leads, in the opinion of the Calculation Agent, to the Index Disruption or Index Cancellation and in the case of an Index Modification, the Exchange Business Day immediately prior to the effective date of the Index Modification, (d) in the case of a Nationalisation the date of the first public announcement to nationalise (whether or not subsequently amended) that leads to the Nationalisation, (e) in the case of Insolvency, the date of the first public announcement of the institution of a proceeding or presentation of a petition or passing of a resolution (or other analogous procedure in any jurisdiction) that leads to the Insolvency, and (f) in the case of a Delisting, the date of the first public announcement by the Exchange that the Shares will cease to be listed, traded or publicly quoted as described in the definition of "Delisting". In respect of any Extraordinary Event other than an Index Disruption, if the announcement of such Extraordinary Event is made after the actual closing time for the regular trading session on the relevant Exchange, without regard to any after hours or any other trading outside of such regular session hours, the Announcement Date shall be deemed to be the next following Scheduled Trading Day.

"Combined Consideration" means New Shares in combination with Other Consideration.

"Extraordinary Event" means a Merger Event, Tender Offer, Index Adjustment Event, Nationalisation, Insolvency, Delisting or any applicable Disruption Event, as the case may be.

"Merger Date" means, in respect of a Merger Event and any relevant Shares, the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as is determined by the Calculation Agent.

"Merger Event" means, in respect of any Share, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the issuer of the relevant Shares with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such issuer is

the continuing entity and which does not result in any such reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than the Shares owned or controlled by such other entity or person), (iv) consolidation, amalgamation, merger or binding share exchange of the issuer of the relevant Shares or its subsidiaries with or into another entity in which the issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event (a "**Reverse Merger**"), in each case if the Merger Date is on or before (a) in the case of Securities to which Physical Settlement applies, the later to occur of the Expiration Date and the final Settlement Date or (b) in any other case, the final Valuation Date.

"**New Shares**" means ordinary or common shares whether of the entity or person (other than the issuer of the Shares) involved in the Merger Event or the making of the Tender Offer or a third party, that are, or that as of the Merger Date or Tender Offer Date are promptly scheduled to be (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union) and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations.

"**Other Consideration**" means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the issuer of the Shares) involved in the Merger Event or the making of the Tender Offer or a third party).

"**Share-for-Combined**" means, in respect of a Merger Event or Tender Offer, that the consideration for the Shares consists of Combined Consideration.

"**Share-for-Other**" means, in respect of a Merger Event or Tender Offer, that the consideration for the Shares consists solely of Other Consideration.

"**Share-for-Share**" means, (i) in respect of a Merger Event or Tender Offer, that the consideration for the Shares consists (or, at the option of the holder of such Shares, will consist) solely of New Shares, and (ii) a Reverse Merger.

"**Tender Offer Date**" means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

"**Tender Offer**" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the issuer of the relevant Shares, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

(c) ***Consequences of Merger Events***

(A) In respect of any Merger Event if, under the relevant Final Terms, in relation to "Share-for-Share", "Share-for-Other" or "Share-for-Combined", the consequence specified is:

- (i) "**Alternative Obligation**", then except in respect of a Reverse Merger, on or after the relevant Merger Date, the New Shares and/or the amount of Other Consideration, if applicable (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable) will be deemed the "Shares" and the "Share Issuer" respectively, the number of New Shares and/or amount of Other Consideration, if applicable, (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable) to which a holder of the number of Shares equal

to the number of Shares immediately prior to the occurrence of the Merger Event would be entitled upon consummation of the Merger Event will be deemed the number of Shares and, if necessary, the Calculation Agent will adjust any relevant terms accordingly (provided however, that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or the Securities);

- (ii) **"Cancellation and Payment"**, then the Securities will be cancelled as of the Merger Date and the Issuer will pay to the Holder an amount calculated in accordance with General Security Condition 14(c);
- (iii) **"Options Exchange Adjustment"**, then following such adjustment to the settlement terms of options on any relevant Shares traded on any Options Exchange the Calculation Agent will make one or more adjustments as provided in General Security Condition 29(a)(B) (without regard to the words "diluting or concentrative" in the second sentence);
- (iv) **"Calculation Agent Adjustment"**, then on or after the relevant Merger Date the Calculation Agent shall either (i) (A) make such adjustment to the exercise, redemption, settlement, payment or any other variation to the terms of the Securities as it, in its reasonable discretion, considers appropriate (including, but not limited to, a Share Substitution if specified as being applicable in the relevant Final Terms) to account for the economic effect on the Securities of such Merger Event (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Securities) which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the relevant Shares traded on such options exchange and (B) determine the effective date of that adjustment, or (ii) if the Calculation Agent determines that no adjustment that it could make under (i) will produce a commercially reasonable result, shall determine that the relevant consequence shall be the cancellation of the Securities and the Issuer will pay the Holder an amount calculated in accordance with General Security Condition 14(c);
- (v) **"Modified Calculation Agent Adjustment"** then, on or after the relevant Merger Date the Calculation Agent shall either (i) (A) make such adjustment to the exercise, redemption, settlement, payment or any other variation to the terms of the Securities as it, in its reasonable discretion, considers appropriate (including, but not limited to, a Share Substitution if specified as being applicable in the relevant Final Terms) to account for the economic effect on the Securities of such Merger Event (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Securities) which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the relevant Shares traded on such options exchange and (B) determine the effective date of that adjustment, or (ii) if the Calculation Agent determines that no adjustment that it could make under (i) will produce a commercially reasonable result, shall determine that the relevant consequence shall be the cancellation of the Securities and the Issuer will pay the Holder an amount calculated in accordance with General Security Condition 14(c);
- (vii) **"Component Adjustment"** then, in respect of a Share-for-Combined Merger Event, the consequence specified opposite "Share-for-Share" shall apply to that portion of the consideration that consists of New Shares (as determined by the Calculation Agent) and the consequence specified opposite "Share-for-Other" shall apply to that portion of the consideration that consists of Other Consideration (as determined by the Calculation Agent); and

- (viii) **"Other Adjustment"**, then the Calculation Agent shall make such other adjustment, in its reasonable discretion, as is specified in the relevant Final Terms.
- (B) The Calculation Agent shall, upon making any of the adjustments set forth in this General Security Condition 29, notify each Holder of such adjustment as soon as reasonably practicable.
- (d) ***Consequences of Tender Offers***
 - (A) In respect of any Tender Offer, if, under the relevant Final Terms, in relation to "Share-for-Share, "Share-for-Other" or "Share-for-Combined", the consequence specified is:
 - (i) **"Cancellation and Payment"**, then the Securities will be cancelled as of the Tender Offer Date and the Issuer will pay to the Holder an amount calculated in accordance with General Security Condition 14(c);
 - (ii) **"Options Exchange Adjustment"**, then following such adjustment to the settlement terms of options on any relevant Shares traded on any Options Exchange the Calculation Agent will make one or more adjustments as provided in General Security Condition 29(a)(B) (without regard to the words "diluting or concentrative" in the second sentence);
 - (iii) **"Calculation Agent Adjustment"**, then on or after the relevant Tender Offer Date the Calculation Agent shall either (i) (A) make such adjustment to the exercise, redemption, settlement, payment or any other variation to the terms of the Securities as it, in its reasonable discretion, considers appropriate (including, but not limited to, a Share Substitution if specified as being applicable in the relevant Final Terms) to account for the economic effect on the Securities of such Tender Offer (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Securities) which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the relevant Shares traded on such options exchange and (B) determine the effective date of that adjustment, or (ii) if the Calculation Agent determines that no adjustment that it could make under (i) will produce a commercially reasonable result, shall determine that the relevant consequence shall be the cancellation of the Securities and the Issuer will pay the Holder an amount calculated in accordance with General Security Condition 14(c);
 - (iv) **"Modified Calculation Agent Adjustment"**, then, on or after the relevant Tender Offer Date the Calculation Agent shall either (i) (A) make such adjustment to the exercise, redemption, settlement, payment or any other variation to the terms of the Securities as it, in its reasonable discretion, considers appropriate (including, but not limited to, a Share Substitution if specified as being applicable in the relevant Final Terms) to account for the economic effect on the Securities of such Tender Offer (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Securities) which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the relevant Shares traded on such options exchange and (B) determine the effective date of that adjustment, or (ii) if the Calculation Agent determines that no adjustment that it could make under (i) will produce a commercially reasonable result, shall determine that the relevant consequence shall be the cancellation of the Securities and the Issuer will pay the Holder an amount calculated in accordance with General Security Condition 14(c); and
 - (vi) **"Component Adjustment"**, then where the Securities relate to a Basket in respect of a Share-for-Combined Tender Offer, the consequence specified

opposite "Share-for-Share" shall apply to that portion of the consideration that consists of New Shares (as determined by the Calculation Agent) and the consequence specified opposite "Share-for-Other" shall apply to that portion of the consideration that consists of Other Consideration (as determined by the Calculation Agent).

- (B) The Calculation Agent shall, upon making any of the adjustments set forth in this General Security Condition 29, notify each Holder of such adjustment as soon as reasonably practicable.

(e) ***Settlement following a Merger Event or Tender Offer***

- (A) If New Shares are required to be delivered in relation to Securities to which Physical Settlement applies and the terms of such Securities have been adjusted following a Merger Event or Tender Offer, in respect of each Security exercised or redeemed, as the case may be, the Issuer or the Holder, as the case may be, will deliver the relevant New Shares in accordance with the relevant Final Terms, provided that if on the relevant Settlement Date a holder of the relevant Shares would not yet have received the New Shares to which it is entitled, the Settlement Date with respect to such New Shares will be postponed to the first Clearance System Business Day falling on or after the first day on which a holder of the relevant Shares, having received the New Shares, would be able to deliver such New Shares to the Holder or the Issuer, as the case may be.
- (B) If Other Consideration is required to be delivered in relation to Securities to which Physical Settlement applies and the terms of such Securities have been adjusted following a Merger Event or Tender Offer, then in respect of each such Security exercised or redeemed, as the case may be, the Issuer or the Holder, as the case may be, will deliver the relevant Other Consideration to the Holder or the Issuer, as the case may be, in a commercially reasonable manner as soon as reasonably practicable after the later of (i) the relevant Settlement Date, as the case may be, and (ii) the first day on which a holder of the relevant Shares, having received the Other Consideration, would be able to deliver such Other Consideration to the Holder or the Issuer, as the case may be.
- (C) If Other Consideration is required to be valued in relation to Securities to which Cash Settlement applies the terms of which have been adjusted following a Merger Event or Tender Offer, the Other Consideration will be valued by the Calculation Agent on each Valuation Date or Redemption Date, as the case may be, in a commercially reasonable manner. For the avoidance of doubt the provisions in these General Security Conditions relating to Market Disruption Events will not apply to Other Consideration.

(f) ***Election of Combined Consideration***

In respect of any Share-for-Combined Merger Event or Tender Offer, to the extent that a holder of Shares represented by the relevant number of Securities could elect for the Combined Consideration then:

- (A) if a holder of Shares could elect to receive New Shares as part of the Combined Consideration, then the Combined Consideration shall be deemed to be New Shares to the maximum value permitted; and
- (B) if a holder of Shares could make any other election, the composition of the Combined Consideration shall be determined by the Calculation Agent in its reasonable discretion.

(g) ***Nationalisation, Delisting or Insolvency***

- (A) The following terms have the meanings given below:
 - (i) **"Nationalisation"** of Shares means that all the Shares or all the assets or substantially all the assets of an issuer of Shares are nationalised, expropriated

- or are otherwise required to be transferred to any governmental agency, authority or entity or instrumentality thereof;
- (ii) **"Insolvency"** means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting an issuer of Shares, (A) all the Shares of that issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of that issuer become legally prohibited from transferring them; and
 - (iii) **"Delisting"** of Shares means that the Exchange announces that pursuant to the rules of such Exchange, the Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union).
- (B) The Calculation Agent shall, upon becoming aware of the occurrence of a Nationalisation, Delisting or Insolvency affecting Shares to which a Security relates, notify the Holder as soon as reasonably practicable under the circumstances of such event in accordance with General Security Condition 19.
 - (C) In respect of Securities on a single Share, upon a Nationalisation, a Delisting or an Insolvency affecting Shares to which such Securities relate, the Securities will be cancelled on a date as notified by the Calculation Agent to the Holder by notice to the Principal Agent and the Issuer will pay to the Holder the amount specified in General Security Condition 14(c).
 - (D) In respect of Securities on a Share Basket, upon a Nationalisation, Delisting or an Insolvency affecting Shares to which the Securities relate, the Issuer may, at its reasonable discretion:
 - (i) cancel such Securities on a date as notified by the Calculation Agent to the Holder by notice to the Principal Agent, in which event the Issuer shall pay to the Holder the amount specified in General Security Condition 14(c) (*Payments upon Termination Events and Additional Termination Events*); or
 - (ii) elect not to cancel such Securities, in which event, on a day as notified by the Calculation Agent to the Holder by notice to the Principal Agent:
 - (1) the Issuer shall pay to the Holder the amount of the fair market value as determined by the Calculation Agent in its reasonable discretion of the Securities, insofar as such Securities relate to the Shares affected by the Nationalisation, Delisting or Insolvency (but not further or otherwise), or an amount determined by the Calculation Agent in its reasonable discretion as specified in the relevant Final Terms, and such amount so determined to be payable in respect of such Securities shall be payable on the date specified in such notice; and
 - (2) the Calculation Agent shall make such adjustment to the exercise, redemption, settlement, payment or other variation to the terms of the Securities as it, taking into account the removal of the relevant Share from the Basket by virtue of partial cancellation and payment effected, in its reasonable discretion, considers appropriate; or
 - (iii) if Share Substitution is specified as being applicable to such Extraordinary Event in the relevant Final Terms, substitute the affected Share(s) on the terms thereof.

30. **Adjustments affecting Securities on Interest Rates**

The relevant Interest Rate shall be defined in accordance with the relevant Final Terms. If, on or prior to any Valuation Date, the Calculation Agent is unable to obtain the relevant Interest Rate, the Calculation Agent may rebase the Securities on Interest Rates against another interest rate determined by the Calculation Agent, in its reasonable discretion, to be a comparable interest rate.

If the Calculation Agent determines in its reasonable discretion that there is not such a comparable interest rate, the Issuer may elect to terminate the Securities by giving notice to the Holders in accordance with General Security Condition 19 of such situation and the fair market value, as determined by the Calculation Agent in its reasonable discretion, of such Securities on Interest Rates and the fair market value so determined to be payable in respect of a Security on Interest Rates shall be payable on the date specified in such notice.

31. **Adjustments affecting Securities on Foreign Exchange Rates**

Unless otherwise specified in the Final Terms, the relevant Foreign Exchange Rate shall be defined in the relevant Final Terms. If, on or prior to any Valuation Date, the Calculation Agent is unable to obtain the Foreign Exchange Rate, the Calculation Agent may rebase the Securities on Foreign Exchange Rates against another foreign exchange rate determined by the Calculation Agent, in its reasonable discretion, to be a comparable foreign exchange rate.

If the Calculation Agent determines in its reasonable discretion that there is not such a comparable foreign exchange rate, the Issuer may elect to terminate the Securities by giving notice to the Holders in accordance with General Security Condition 19 of such situation and the fair market value, as determined by the Calculation Agent in its reasonable discretion, of such Securities on Foreign Exchange Rates and the fair market value so determined to be payable in respect of a Security on Foreign Exchange Rates shall be payable on the date specified in such notice.

32. **Adjustment affecting Securities Related to Depositary Receipts or Depositary Shares**

This General Security Condition 32 shall apply to Securities for which all or any of the Reference Assets are ADRs, and the terms and expressions defined below shall, unless otherwise specified in the relevant Final Terms, apply to such ADRs for the purposes of the Securities, General Security Conditions 29 and 35 are amended as set out below:

- (i) The definition of "Potential Adjustment Event" in General Security Condition 29(A)(e) shall include, in relation to the ADRs:
 - (A) the occurrence of any Potential Adjustment Event in relation to the Underlying Share or any other shares or securities represented by the ADRs; and
 - (B) the making of any amendment or supplement to the terms of the Deposit Agreement.
- (ii) The definition of "Merger Event" in General Security Condition 29(B) shall include, in relation to ADRs, the occurrence of any Merger Event in relation to the Underlying Share.
- (iii) If the Deposit Agreement is terminated, then on or after the date of such termination, references to ADRs shall be replaced by references to the Underlying Share and the Calculation Agent will adjust any relevant terms and will determine the effective date of such replacement and adjustments.
- (iv) The definitions of "Nationalisation" and "Insolvency" in General Security Condition 29(G) shall be construed in relation to the ADRs as if references herein to the ADRs of the Share Company were references to the Underlying Share.

- (v) The definition of "Market Disruption Event" in General Security Condition 35 shall include, in relation to the ADRs, the occurrence of a Market Disruption Event in relation to the Underlying Share, and, only for the purpose of determining whether a Market Disruption Event has occurred in relation to an Underlying Share, each reference in the Conditions to "Share" or "Shares" shall be construed as a reference to "Underlying Share" or "Underlying Shares", respectively.

"ADRs" means the American depositary receipts specified in the relevant Final Terms.

"Deposit Agreement" means the agreement or other instrument constituting the ADRs, as from time to time amended or supplemented in accordance with its terms.

"Depositary" means the depositary of the ADRs appointed as such under the terms of the Deposit Agreement or any successor depositary thereunder.

"Share Company" means (i) for the purposes of applying the provisions of this General Security Condition 32, both the Depositary and the Underlying Share Issuer in respect of the ADRs, and (ii) for all other purposes in relation to the Securities, the Depositary.

"Underlying Shares" shall be as specified in the relevant Final Terms.

"Underlying Share Issuer" shall be as specified in the relevant Final Terms.

33. **Adjustments affecting Securities Related to Collective Investment Schemes**

This General Security Condition 33 shall apply to Fund Securities.

The relevant Final Terms may include additional provisions relating to market disruption, merger, nationalisation, insolvency and other adjustment or extraordinary events relating to or affecting Fund Securities or Fund Interests or conferring authority upon the Issuer to switch or substitute any Fund Interest relating to a Fund Security upon the terms and subject to the conditions therein specified.

34. **Adjustments for other Reference Assets**

The relevant Final Terms may include additional provisions specifying adjustments for Reference Assets not addressed in these General Security Conditions or amending the adjustments for Reference Assets specified in these General Security Conditions.

35. **Definitions**

The following capitalised terms shall have the meanings set out below:

"Account Holder"	has the meaning ascribed to it in General Security Condition 12 (a);
"Additional Amount"	has the meaning ascribed to it in General Security Condition 22;
"Additional Termination Event"	has the meaning ascribed to it in General Security Condition 14(b);
"ADRs"	has the meaning ascribed to it in General Security Condition 32;
"Agent(s)"	has the meaning ascribed to it in General Security Condition 17(a);
"Alternative Clearing System"	means any alternative clearing system specified in the relevant Final Terms in addition to, or in place of, Euroclear France,

	Euroclear and/or Clearstream, Luxembourg;
"Alternative Obligation"	has the meaning ascribed to it in General Security Condition 29(c);
"Alternative Settlement Date"	means such date as the Calculation Agent reasonably determines;
"American Style"	has the meaning ascribed to it in General Security Condition 2(a);
"Applicable Law"	means any applicable present or future law, rule, regulation, judgement, order or directive of any governmental, administrative or judicial authority or power;
"Arranger"	means J.P. Morgan Securities Ltd.;
"Automatic Exercise"	means a provision in the relevant Final Terms specifying that Securities not exercised prior to the Expiration Date shall be deemed to have been exercised on the Expiration Date;
"Automatic Exercise Warrant Notice"	means, in respect of Warrants, the notice specified in General Security Condition 2(g);
"Averaging Date"	means, in respect of an Index or a Share, subject as provided in General Security Condition 26(B), each Averaging Date specified, or otherwise determined in respect of that Index or Share as specified in the relevant Final Terms;
"Bad Settlement Event"	means an event where the Hedging Entity is not able or would not be able to transfer or procure transfer of any of the Reference Assets (i) acquired by it from any transferor or (ii) held by it to any transferees, in any case, due to torn, damaged, or forged certificates or any other limitations whatsoever on or in respect of the transfer or registration of Reference Assets;
"Baseline Date"	means, in respect of an Index or a Share, subject as provided in General Security Condition 26, each Baseline Date specified, or otherwise determined in respect of that Index or Share as specified in the relevant Final Terms;
"Basket"	a basket composed of two or more Reference Assets in defined proportions and/or amounts, as specified in the relevant Final Terms, if applicable;
"Bermudan Style"	has the meaning ascribed to it in General Security Condition 2(c);
"Business Day"	means: <ul style="list-style-type: none"> (i) in the case of a currency other than euro, a day (other than a Saturday or

Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or

(ii) in the case of euro, a TARGET Settlement Day; and

(iii) if one or more Additional principal financial centre(s) are specified in the relevant Final Terms, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Additional principal financial centre(s) or, if no currency is indicated, generally in each of the Additional principal financial centre(s),

provided that if the Additional principal financial centre(s) are specified in the relevant Final Terms to be or to include "TARGET", then Business Day shall also be a day which is a TARGET Settlement Day (in addition to the terms of foregoing paragraphs (i), (ii) and (iii) above and (iv) below, as applicable); and

(iv) in cases where payments and/or deliveries are to be made through a Relevant Clearing System, a day on which such Relevant Clearing System is (or, but for the occurrence of a Settlement Disruption Event, would have been) also open for the acceptance and execution of settlement instructions;

"Calculation Agent"

means J.P. Morgan Securities Ltd. and includes any alternative calculation agent appointed from time to time in respect of a Series of Securities identified as such in the relevant Final Terms;

"Cancellation and Payment"

has the meaning ascribed to it in General Security Condition 29(c) and 29(d);

"Cash Settlement"

means payment of the Settlement Amount or Redemption Amount, as applicable, in cash, as specified in the relevant Final Terms;

"Certificate"

means an instrument identified on its face as a certificate issued under these General Security Conditions by the Issuer and the obligations of the Issuer under which are guaranteed by the Guarantor as further provided in General Security Condition 13;

"Change of Tax Law"	means the enactment, promulgation, execution or ratification of, or any change in or amendment to, any law or regulation relating to the imposition of taxes, duties, withholdings, deductions or other similar assessments (or in the application or official interpretation of any such law or regulation);
"Clearance System Business Day"	means, in respect of any Relevant Clearing System, any day on which such Relevant Clearing System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions;
"Clearstream, Luxembourg"	means Clearstream Banking, société anonyme;
"Closing Index Level"	means, in respect of an Index and any date, the official closing level as determined by the Calculation Agent at the Valuation Time on the relevant date, as calculated and published by the relevant Index Sponsor, subject as provided in these General Security Conditions (including, without limitation, General Security Condition 26) or determined as otherwise specified in the relevant Final Terms;
"Closing Share Price"	means (subject as provided in (i) below), on any day in respect of a Share, the official closing price of such Share on the Exchange as of the Valuation Time on such day, or if there is no official closing price, the mid-market price per such Share on the Exchange at the Valuation Time on such day, all as determined by the Calculation Agent subject as provided in these General Security Conditions (including, without limitation, General Security Condition 26), provided that (i) in the event that "Closing Share Price (ISDA)" is specified in the relevant Final Terms to apply, or if an alternative definition of "Closing Share Price" is set forth in the relevant Final Terms, then "Closing Share Price" shall mean Closing Share Price (ISDA) or such alternative definition, as the case may be, and (ii) in the event that any price published on the Exchange and which is utilised for any calculation or determination in respect of the Securities is subsequently corrected and the correction is published by the Exchange on or before the applicable Correction Cut-off Date, such corrected price;
"Closing Share Price (ISDA)"	means, on any day and any time, (i) in respect of any Share for which the Exchange is an auction or "open outcry" exchange that has a price as of the Valuation Time at which any trade can be submitted for execution, the

Closing Share Price (ISDA) of such share shall be the price per Share as of the Valuation Time on the relevant day as reported in the official real-time price dissemination mechanism for such Exchange; and (ii) in respect of any Share for which the Exchange is a dealer exchange or dealer quotation system, the Closing Share Price (ISDA) of such share shall be the mid-point of the highest bid and lowest ask prices quoted as of the Valuation Time on the relevant day, (or the last such prices quoted immediately before such time) without regard to quotations that "lock" or "cross" the dealer exchange or dealer quotation system; provided that in the event that any price published on the Exchange and which is utilized for any calculation or determination in respect of the Securities is subsequently corrected and the correction is published by the Exchange on or before the applicable Correction Cut-off Date, the Calculation Agent will determine the amount that is payable or deliverable as a result of that correction, and, to the extent necessary, will adjust any relevant terms of the Securities to account for such correction;

"Code"	means the United States Internal Revenue Code of 1986, as amended;
"Component"	means, in respect of an Index and any relevant day, a security, or a commodities or futures contract or other asset then comprising a constituent of the Index, as applicable, and "Components" means some or all of such constituents, as applicable;
"Combined Consideration"	has the meaning ascribed to it in General Security Condition 29(b);
"Composite Commodity Index"	means each Index designated as such in the relevant Final Terms;
"Contingent Coupon Amount"	for any period or Contingent Coupon Payment Date means the amount payable for such period on such Contingent Coupon Payment Date as specified in the relevant Final Terms or as determined pursuant to the formula for its calculation set out in the relevant Final Terms;
"Contingent Coupon Period"	means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Contingent Coupon Payment Date and each successive period beginning on (and including) a Contingent Coupon Payment Date and ending on (but excluding) the next succeeding Contingent Coupon Payment Date;

"Contingent Coupon Valuation Date"	means, with respect to an Index Linked Contingent Coupon Certificate or an Equity Linked Contingent Coupon Certificate, the date specified in the relevant Final Terms in accordance with General Security Condition 28;
"Correction Cut-off Date"	means, in respect of an Index or a Share, each date specified in the relevant Final Terms after which all corrections of the level of the Index or the price of the Share originally calculated and published by the Index Sponsor or the Exchange, as the case may be, on or before such date, shall be disregarded for the purposes of any calculations to be made using, or determinations to be made by reference to, such level of the Index or price of the Share;
"Credit Linkage Provisions"	means the provisions of General Security Condition 36;
"Day Count Fraction"	<p>means, in respect of the calculation of an amount for any period of time (the "Calculation Period"), such day count fraction as may be specified in these General Security Conditions or the relevant Final Terms and:</p> <p>(i) if "Actual/Actual (ICMA)" is so specified, means</p> <p>(A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and</p> <p>(B) where the Calculation Period is longer than one Regular Period, the sum of:</p> <p>(1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods normally ending in any year; and</p> <p>(2) the actual number of days in such Calculation Period falling in the next Regular</p>

Period divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods normally ending in any year;

- (ii) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360**" is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

Where:

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

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

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

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

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless

such number would be 31, in which case D_1 will be 30; and

" D_2 " is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30; and

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

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

Where:

" Y_1 " is the year, expressed as a number, in which the first day of the Calculation Period falls;

" Y_2 " is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

" M_1 " is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

" M_2 " is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

" D_1 " is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

" D_2 " is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30

"**Dealers**"

means J.P. Morgan Securities Ltd. and any other dealer appointed in relation to the issue of Securities;

"**Delisting**"

has the meaning ascribed to it in General Security Condition 29(g);

"**Deposit Agreement**"

has the meaning ascribed to it in General Security Condition 32;

"**Depositary**"

has the meaning ascribed to it in General Security Condition 32;

"Disrupted Day"

means, subject to General Security Condition 37, if applicable, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred;

"Disruption Cash Settlement Price"

means an amount equal to the fair market value of the relevant Security on such day as shall be selected by the Calculation Agent in its discretion adjusted to take account fully for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any options or selling or otherwise realising any relevant Share or other instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements), all as calculated by the Calculation Agent in its discretion;

"Disruption Event"

means any one or more of the following as specified in the relevant Final Terms:

(a) **"Change in Law"**

means that, on or after the date specified in the applicable Terms (or if no such date is specified, the Issue Date) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (X) it has become illegal to hold, acquire or dispose of Shares relating to a Security, or (Y) the Issuer will incur a materially increased cost in performing its obligations under such Security (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position);

(b) **"Failure to Deliver"**

means the failure of the Issuer to deliver, when due, the relevant Shares under a Security, where such failure to deliver is due to illiquidity in the market for such Shares;

(c) **"Insolvency Filing"**

means that the Share Issuer institutes or has instituted against it by a regulator, supervisor

or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Issuer shall not be deemed an Insolvency Filing;

(d) **“Hedging Disruption”**

means that the Issuer or such Hedging Entity designated by the Issuer is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of the Issuer issuing and the Issuer performing its obligations with respect to or in connection with the relevant Security, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s);

(e) **“Increased Cost of Hedging”**

means that the Issuer or such Hedging Entity designated by the Issuer would incur a materially increased (as compared with circumstances existing on the date specified in the relevant Final Terms (or if no date is so specified, the Issue Date)) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk of the Issuer issuing and the Issuer performing its obligations with respect to or in connection with the relevant Security, or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer or such Hedging Entity designated by the Issuer shall not be deemed to be an Increased Cost of Hedging;

(f) **“Loss of Stock Borrow”**

means that the Issuer or such Hedging Entity

designated by the Issuer is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) Shares with respect to or in connection with such Security in an amount equal to the Hedging Shares (not to exceed the number of Shares underlying the Security) at a rate equal to or less than the Maximum Stock Loan Rate;

(g) **“Increased Cost of Stock Borrow”**

means that the Issuer or such Hedging Entity designated by the Issuer would incur a rate to borrow Shares in respect of such Security that is greater than the Initial Stock Loan Rate;

(h) **"Payment Disruption Event"**

means any event, circumstance or cause beyond the control of the Issuer or such Hedging Entity designated by the Issuer as a result of which there is or will be (1) an adverse effect on the Issuer's ability to perform its obligations under, or for the Hedging Entity to hedge the Issuer's obligations under, the Securities prior to or on any date on which payments or deliveries in respect of such Securities shall fall due, (2) any inability due to illiquidity, illegality, or lack of availability of hedging transaction market participants or otherwise, to establish, re-establish or maintain in an economically efficient manner any hedging transaction(s) (including purchases, sales, settlements or other transactions whether in Reference Assets or other securities or financial products) necessary in the normal course of the Issuer's or Hedging Entity's business of hedging the price and market risk of the Issuer's issuance of and obligations under the Securities in compliance with applicable laws or (3) any inability to cause any proceeds of such hedging transaction(s) to be delivered in satisfaction of the Issuer's obligations under such Securities.

Without prejudice to the generality of the foregoing, each of the following events shall constitute a Payment Disruption Event:

- (i) the delivery of the further Shares, arising on the occurrence of a Potential Adjustment Event;
- (ii) the occurrence of an FX Disruption Event;
- (iii) the occurrence of a Bad Settlement Event or an Objection to

	Registration Event;
	(iv) the application is pending with the Share Issuer or relevant agent of the Reference Assets for the registration of the transfers of the Reference Assets to or from the Hedging Entity;
	(v) an application is pending for the dematerialisation of the Reference Assets; and
	(vi) any law or regulation is imposed which affects the Hedging Entity's status as a holder of the Reference Assets;
"Dutch Tax Resident"	has the meaning ascribed to it in General Security Condition 22;
"Early Closure"	means, subject to General Security Condition 37, if applicable, the closure on any Exchange Business Day of the relevant Exchange (or in the case of Securities on an Index or on an Index Basket, any relevant Exchange(s) relating to Components that comprise 20 per cent. or more of the level of the relevant Index) or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day;
"Euroclear"	means Euroclear Bank S.A./N.V.;
"European Style"	has the meaning ascribed to it in General Security Condition 2(b);
"Euro-zone"	means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;
"Exchange"	means, subject to General Security Condition 37, if applicable: <ul style="list-style-type: none"> (a) in respect of an Index, each exchange or quotation system specified in the relevant Final Terms, if applicable, any successor to such exchange or quotation system or any substitute exchange or

quotation system to which trading in the shares underlying such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the shares underlying such Index on such temporary substitute exchange or quotation system as on the original Exchange); and

- (b) in respect of a Share, each exchange or quotation system specified in the relevant Final Terms, if applicable, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange);

"Exchange Business Day"

means, subject to General Security Condition 37, if applicable, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their regular trading sessions notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time;

"Exchange Disruption"

means, subject to General Security Condition 37, if applicable, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general: (i) to effect transactions in, or obtain market values for, the Shares on the Exchange (or in the case of Securities on an Index or Index Basket, on any relevant Exchange(s) Components that comprise 20 per cent. or more of the level of the relevant Index); or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Share or that Index on any relevant Related Exchange;

"Exercise Amount"

means, in the case of Securities for which Physical Settlement applies, the amount payable by the intended recipient of the Reference Assets upon exercise of such Securities, as specified in the relevant Final Terms;

"Exercise Date"

means the day, as specified in the relevant Final Terms, during the Exercise Period on which a Security is, or is deemed to be, exercised in accordance with the General

	Security Conditions;
“Exercise Notice”	has the meaning ascribed to it in General Security Condition 3(a);
“Exercise Period”	means, in respect of: <ul style="list-style-type: none"> (a) Securities designated in the relevant Final Terms as "American Style", all Scheduled Trading Days (or such other types of days as may be specified in the relevant Final Terms) from, and including, the Issue Date to, and including, the Expiration Date; (b) Securities designated in the relevant Final Terms as "European Style", the Expiration Date; and (c) Securities designated in the relevant Final Terms as "Bermudan Style", each Potential Exercise Date and the Expiration Date;
"Expenses "	means all expenses, costs, charges, levies, tax, duties, withholding, deductions or other payments including without limitation, all depositary, custodial, registration, transaction and exercise charges and all stamp, issues, registration or, securities transfer or other similar taxes or duties incurred by the Issuer and/or a Hedging Entity in respect of the Issuer's obligations under the Securities;
"Expiration Date"	<p>means the date specified in the relevant Final Terms, provided that if "Expiration Date subject to Valuation Date adjustment" is stated to be applicable in the relevant Final Terms, then the provisions of General Security Condition 26 shall apply to the Expiration Date as if such date were a Valuation Date.</p> <p>Notwithstanding the foregoing, if a Security is exercised on a Scheduled Trading Day that would have been an Expiration Date but for the occurrence of an event giving rise to a Disrupted Day, such Scheduled Trading Day shall be deemed to be the Expiration Date for the purpose of determining whether an Exercise Date has occurred during the Exercise Period;</p>
"Foreign Exchange Rate"	means a Reference Asset that is a foreign exchange rate;
"French Paying Agent"	means BNP Paribas Securities Services and includes any successor or additional agent or any other agent identified as such in the relevant Final Terms;

"Fund Interests"

means shares, securities or other interests in any undertaking for collective investment in transferable securities (a fund, including, without limitation, a unit trust or an investment fund constituted by a limited partnership);

"Fund Securities"

means securities for which all or any of the Reference Assets are Fund Interests;

"FX Disruption Event"

means:

- (a) an event in relation to a Relevant Reference Asset Jurisdiction which has the effect of preventing, restricting or delaying the Calculation Agent or Hedging Entity from:
 - (i) converting the Reference Currency into the Specified Currency through customary legal channels; or
 - (ii) converting the Reference Currency into the Specified Currency at a rate at least as favourable as the rate for domestic institutions located in the Relevant Reference Asset Jurisdiction; or
 - (iii) delivering the Specified Currency from accounts inside the Relevant Reference Asset Jurisdiction to accounts outside the Relevant Reference Asset Jurisdiction; or
 - (iv) delivering the Reference Currency between accounts inside the Relevant Reference Asset Jurisdiction or to a party that is a non-resident of the Relevant Reference Asset Jurisdiction; or
- (b) the imposition by the Relevant Reference Asset Jurisdiction (or any political or regulatory authority thereof) of any capital controls, or the publication of any notice of an intention to do so, which the Calculation Agent determines in good faith is likely materially to affect the Securities, and notice

thereof is given by the Issuer to the Holders in accordance with Condition 20; or

- (c) the implementation by the Relevant Reference Asset Jurisdiction (or any political or regulatory authority thereof) or the publication of any notice of an intention to implement any changes to the laws or regulations relating to foreign investment in the Relevant Reference Asset Jurisdiction (including, but not limited to, changes in tax laws and/or laws relating to capital markets and corporate ownership), which the Calculation Agent determines are likely to affect materially the Issuer's ability to hedge its obligations under the Securities;

"General Security Conditions"

means these General Security Conditions;

"Guarantee"

means the guarantee of the obligations of JPMSP with respect to the Securities provided by JPMCB, dated 23 April 2009;

"Guarantor"

means JPMCB;

"Hedging Entity"

means the Issuer or any affiliate(s) of the Issuer or any entity (or entities) acting on behalf of the Issuer engaged in any underlying or hedging transactions relating to the Securities and/or Reference Assets in respect of the Issuer's obligations under the Securities;

"Hedging Shares"

means the number of Shares that the Issuer or such Hedging Entity designated by the Issuer deems necessary to hedge the equity price risk of entering into and performing the Issuer's obligations with respect to or in connection with a Security to which the "Loss of Stock Borrow" or "Increased Cost of Stock Borrow" Disruption Events are applicable;

"Holder"

has the meaning ascribed to it in General Security Condition 12(b);

"Holder Physical Settlement"

means the payment of the Exercise Amount by the Issuer against delivery of the Reference Asset by the Holder as provided in General Security Condition 3(e);

"Index or Indices"

means a Reference Asset that is an index;

"Index Disclaimer"

If **"Index Disclaimer"** is specified to be applicable in the relevant Final Terms then the Issuer and the Holders agrees and acknowledges, in respect of each Index, that

the Securities are not sponsored, endorsed, sold or promoted by the Index or the Index Sponsor and no Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Securities. The Issuer (or, if applicable, the Guarantor) shall have no liability to the Holders for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Except as disclosed prior to the Issue Date specified in the relevant Final Terms, neither the Issuer (or, if applicable, the Guarantor) nor its affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition or dissemination of the Indices. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer (or, if applicable, the Guarantor), its affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index;

"Index Level"

means, in respect of an Index, the level of such Index as determined by the Calculation Agent as at any time on any relevant date, as calculated and published by the relevant Index Sponsor, subject as provided in these General Security Conditions (including, without limitation, General Security Condition 26) or determined as otherwise specified in the relevant Final Terms;

"Index Performance"

means, in respect of an Index and any Initial Valuation Date, Valuation Date, Initial Averaging Date, Averaging Date or any other relevant date, an amount determined by the Calculation Agent as the quotient of (i) the Closing Index Level or such other level as may be specified in the relevant Final Terms of such Index in respect of such date, and (ii) the Closing Index Level or such other level as

may be specified in the relevant Final Terms of such Index in respect of the applicable Baseline Date;

"Index Ranking"

means, in respect of an Index and any Initial Valuation Date, Valuation Date, Initial Averaging Date, Averaging Date or any other relevant date (for the purposes of this definition only, the "**Relevant Date**"), the unique ranking of such Index for such Relevant Date assigned by the Calculation Agent amongst all the relevant Indices, where such ranking is assigned by reference to the Index Performance of each relevant Index for such Relevant Date sequentially from the highest to the lowest, such that, for the avoidance of doubt, the Index with the highest Index Performance shall have the highest ranking and the Index with the lowest Index Performance shall have the lowest ranking, provided that, if two or more such Indices have the same Index Performance for such Relevant Date, as determined by the Calculation Agent (all such Indices, if any, being for the purposes of this definition only, "**Equal Performance Indices**", and each being an "**Equal Performance Index**") then:

- (i) any Index, if any, with a higher Index Performance for such Relevant Date than any such Equal Performance Index, shall have a higher Index Ranking than any such Equal Performance Index;
- (ii) any Index, if any, with a lower Index Performance for such Relevant Date than any such Equal Performance Index, shall have a lower Index Ranking than any such Equal Performance Index; and
- (iii) subject to paragraphs (i) and (ii) above, as amongst themselves, all such Equal Performance Indices shall be assigned such Index Ranking as the Calculation Agent may determine in its reasonable discretion,

or determined as otherwise specified in the relevant Final Terms;

"Index Sponsor"

means, subject to General Security Condition 37, if applicable, the corporation or entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index and (b) announces (directly or through an agent) the level of the relevant Index on a regular basis

	during each Scheduled Trading Day;
"Initial Averaging Date"	means in respect of an Index or a Share, subject as provided in General Security Condition 26(B), each Initial Averaging Date specified or otherwise determined in respect of that Index or that Share as specified in the relevant Final Terms;
"Initial Stock Loan Rate"	means, in respect of a Security to which the "Increased Cost of Stock Borrow" Disruption Event is applicable, the stock loan rate specified as such in the applicable Terms;
"Initial Valuation Date"	means in respect of an Index or a Share, subject as provided in General Security Condition 26(A), the Initial Valuation Date so specified or otherwise determined as specified in the relevant Final Terms;
"Insolvency"	has the meaning ascribed to it in General Security Condition 29(g);
"Interest Rate" or "Interest Rates"	means a Reference Asset that is an interest rate;
"Issue Date"	means the date on which the relevant Securities are issued;
"Issuer"	means JPMSP;
"Issuer Physical Settlement"	means the delivery of the Reference Asset by the Issuer to the Holder against payment by the Holder of the Exercise Amount to the Issuer as provided in General Security Condition 3(d);
"JPMCB"	means JPMorgan Chase Bank, National Association;
"JPMSP"	means J.P. Morgan Structured Products B.V.;
"Knock-in Event"	means that event or occurrence specified in the relevant Final Terms;
"Knock-out Event"	means that event or occurrence specified in the relevant Final Terms;
"Latest Exercise Time"	has the meaning ascribed to it in General Security Condition 3(a);
"Local Time"	means the local time in the city of the Relevant Clearing System(s);
"Market Disruption Event"	subject as provided in General Security Condition 37, if applicable, means in respect of a Share or an Index the occurrence or existence of: (i) a Trading Disruption; (ii) an Exchange Disruption, which, in either case, the Calculation Agent determines is material at any time during the one hour period that ends at the relevant Valuation Time; or (iii)

an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a Component included in the Index at any time, then the relevant percentage contribution of that Component to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event;

"Maximum Disruption Extension Period"	means eight Scheduled Trading Days, or such other period of Scheduled Trading Days (or other types of days) specified in the relevant Final Terms;
"Maximum Exercise Number"	means the maximum number of Securities which may be exercised on any Exercise Date, as specified in the relevant Final Terms;
"Maximum Stock Loan Rate"	means, in respect of a Security to which "Loss of Stock Borrow" Disruption Event is applicable, the stock loan rate specified as such in the relevant Final Terms;
"Merger Date"	has the meaning ascribed to it in General Security Condition 29(b);
"Merger Event"	has the meaning ascribed to it in General Security Condition 29(b);
"Method of Adjustment"	has the meaning ascribed to it in General Security Condition 29(a)(A);
"Minimum Exercise Number"	means the minimum number of Securities which may be exercised on any Exercise Date as specified in the relevant Final Terms;
"Multi-Exchange Index"	means each Index designated as such in the relevant Final Terms;
"Nationalisation"	has the meaning ascribed to it in General Security Condition 29(g);
"New Shares"	has the meaning ascribed to it in General Security Condition 29(b);
"Non-U.S. Certification"	means a certification from the relevant Holder that, in the case of its Securities, such Securities are not being exercised or redeemed (as applicable) in the United States or by or on behalf of any U.S. Person, that the payment or delivery with respect to such Securities will not be made in the United States or to, or for the account of, a U.S. Person, that none of such Securities were purchased in the United States and that the Holder was not solicited to purchase such

	Securities in the United States;
"Objection to Registration Event"	means an event where the Hedging Entity is not able or would not be able to effect the registration of the transfer of any of the Reference Assets (i) acquired by it from any transferor or (ii) held by it to any transferees, in any case, due to a refusal or objection by the issuer of the Reference Assets to register any such transfer for any reasons whatsoever;
"Options Exchange"	has the meaning ascribed to it in General Security Condition 29(a)(D);
"Options Exchange Adjustment"	has the meaning ascribed to it in General Security Condition 29(c);
"Other Adjustment"	has the meaning ascribed to it in General Security Condition 29(c);
"Other Consideration"	has the meaning ascribed to it in General Security Condition 29(b);
"Payment Event Cut-Off Date"	means a date which is one year after the Exercise Date, Redemption Date or Settlement Date or any other date on which the Securities may be exercised or redeemed and any amount under the Securities shall be due and payable, or as determined by the Calculation Agent acting in good;
"Physical Delivery Securities"	means Securities which allow for Physical Settlement;
"Physical Settlement"	means for Warrants, either Holder Physical Settlement or Issuer Physical Settlement and for Certificates, the delivery of Reference Assets in discharge of the obligation to pay the Redemption Amount from the Issuer to the Holders as specified in the relevant Final Terms;
"Potential Adjustment Event"	has the meaning ascribed to it in General Security Condition 29(a)(E);
"Potential Exercise Date"	means each date specified as such in the relevant Final Terms, provided that if "Potential Exercise Date subject to Valuation Date adjustment" is stated to be applicable in the relevant Final Terms, then the provisions of General Security Condition 26 shall apply to the Expiration Date as if such date were a Valuation Date;
	Notwithstanding the foregoing, if a Security is exercised on a Scheduled Trading Day that would have been a Potential Exercise Date prior to the occurrence of an event giving rise to a Disrupted Day, such Scheduled Trading Day shall be deemed to be the Potential Exercise Date for the purpose of determining whether an Exercise Date has occurred

	during the Exercise Period;
"Principal Agent"	means BNP Paribas Securities Services, and includes any successor or additional agent or any other such agent identified as such in the relevant Final Terms;
"Proceedings"	means any legal action or proceedings arising out of or in connection with the Securities;
"Proprietary Index"	means each Index designated as such in the relevant Final Terms;
"Quota"	means the Maximum Exercise Number of Securities of a Series (or, where a Series is constituted by two or more Tranches and the relevant Final Terms so provide, a Tranche);
"Redemption Amount"	means the redemption amount specified in the relevant Final Terms;
"Redemption Date"	means a day on which any Securities may be redeemed, as specified in the relevant Final Terms;
"Reference Asset or Reference Assets"	means as specified in the relevant Final Terms;
"Reference Country"	means as specified in the relevant Final Terms;
"Reference Currency"	means the currency in which the Reference Assets are denominated as specified in the relevant Final Terms;
"Reference Index"	means, in respect of each Share which is subject to a Share Substitution, an index, as selected in good faith by the Calculation Agent, (a) in respect of which the relevant Share is, or has been at some time during the immediately preceding six months, a component and (b) which has (in the reasonable opinion of the Calculation Agent) actively traded futures contracts in respect of such index. If more than one index falls within (a) and (b), then the Calculation Agent shall select the Reference Index in its reasonable discretion. If no index can be selected pursuant to (a) and (b), then the Calculation Agent shall select the Reference Index in its reasonable discretion.
"Regular Period"	means: <ul style="list-style-type: none"> (i) in the case of Certificates where contingent coupons are scheduled to be paid only by means of regular payments, each period from and including the Issue Date to but excluding the first Contingent Coupon Payment Date and each successive period from and

including one Contingent Coupon Payment Date to but excluding the next Contingent Coupon Payment Date;

- (ii) in the case of Certificates where, apart from the first Contingent Coupon Period, contingent coupons are scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Contingent Coupon Payment Date falls; and
- (iii) in the case of Certificates where, apart from one Contingent Coupon Period other than the First Contingent Coupon Period, contingent coupons are scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Contingent Coupon Payment Date falls other than the Contingent Coupon Period being the irregular Contingent Coupon Period.

"Regulation S"

means Regulation S under the Securities Act;

"Related Exchange"

means, subject as provided in General Security Condition 37, if applicable, in the case of Securities on an Index, Index Basket, Share or Share Basket, each exchange or quotation system specified as such in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the relevant Index or Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index or Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where "All Exchanges" is specified as the Related Exchange in the relevant Final Terms, Related Exchange shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such

	Index or Share;
"Related Securities"	has the meaning ascribed to it in General Security Condition 32;
"Relevant Clearing System(s)"	means Euroclear France, Euroclear, Clearstream, Luxembourg, Euroclear France or any Alternative Clearing System and, as the case may be, the clearing system or other appropriate method selected by the Issuer to effect the settlement and delivery of a Reference Asset in the case of an issue of Securities to which Physical Settlement applies. In the case of Warrants held through Euroclear France, the delivery of an Exercise Notice to the Relevant Clearing System is achieved by delivery of such Exercise Notice to the Account Holder (as defined in General Security Condition 12 (a)) through which the Holder holds its Warrants;
"Relevant Date"	has the meaning ascribed to such term in General Security Condition 22;
"Relevant Jurisdiction"	has the meaning ascribed to such term in General Security Condition 22;
"Relevant Reference Asset Jurisdiction"	means the jurisdiction(s) specified in the relevant Final Terms;
"Scheduled Averaging Date"	means, in respect of an Index or a Share, any original date that, but for such day not being a Scheduled Trading Day in respect of such Index or Share or for the occurrence of an event causing a Disrupted Day on such date (following adjustment pursuant to the terms of General Security Condition 26(B)), would have been an Averaging Date;
"Scheduled Closing Time"	means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange and each Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;
"Scheduled Initial Averaging Date"	means, in respect of an Index or a Share, any original date that, but for such day not being a Scheduled Trading Day in respect of such Index or Share or for the occurrence of an event causing a Disrupted Day on such date (following adjustment pursuant to the terms of General Security Condition 26(B), as applicable), would have been an Initial Averaging Date;
"Scheduled Initial Valuation Date"	means any original date that, but for such day not being a Scheduled Trading Day in respect of such Index or Share or for the occurrence of an event causing a Disrupted Day on such

	date (following adjustment pursuant to the terms of General Security Condition 26(A)), would have been an Initial Valuation Date;
"Scheduled Trading Day"	means, subject as provided in General Security Condition 37, if applicable, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions;
"Scheduled Valuation Date"	means any original date that, but for such day not being a Scheduled Trading Day in respect of such Index or Share or for the occurrence of an event causing a Disrupted Day on such date (following adjustment pursuant to the terms of General Security Condition 26(A)), would have been a Valuation Date;
"Securities"	means the Warrants and Certificates or other similar instruments;
"Securities Act"	means the U.S. Securities Act of 1933, as amended;
"Series"	means any series of the Securities;
"Settlement Amount"	means the settlement amount specified in the relevant Final Terms, as applicable;
"Settlement Cycle"	means, in the case of Securities on a single Index or Share or Securities on an Index Basket or Shares, the period of Clearance System Business Days following a trade in the shares underlying such Index or such Shares, as the case may be, on the Exchange in which settlement will customarily occur according to the rules of such Exchange (or, if there are multiple Exchanges in respect of an Index, the longest such period);
"Settlement Date"	means, unless otherwise specified in the relevant Final Terms, and subject to there not having occurred a Disruption Event: <ul style="list-style-type: none"> (i) in relation to Reference Assets to be delivered in respect of an Exercise Date or Redemption Date, the date that falls one Settlement Cycle following that Exercise Date or Redemption Date (or, if such date is not a Clearance System Business Day, the next following Clearance System Business Day), unless a Settlement Disruption Event prevents delivery of such Reference Assets on that date. If a Settlement Disruption Event prevents delivery of a Reference Asset on that date, General Security Condition 25 shall apply; and

- (ii) in relation to payment of the Settlement Amount or Redemption Amount, the date specified or otherwise determined as provided in the relevant Final Terms. If no such date is specified in the relevant Final Terms, (a) in the case of Securities on a single Index or Share or Securities on an Index Basket or Shares the Settlement Date shall fall on the date that is one Settlement Cycle following the Valuation Date and (b) in the case of Securities on an Index Basket or Securities on a Share Basket, if as a result of the occurrence of a Disrupted Day there is more than one Valuation Date with respect to Indices or Shares comprised in the Basket, then the Settlement Date shall be determined by reference to the Valuation Date which is the last to occur;

For the avoidance of doubt, once payment or delivery has been made by the Issuer to the Principal Paying Agent on the Settlement Date, the effective receipt of such payment or delivery is subject to the usual timeframe for payment or delivery through the banking and clearing systems.

"Settlement Disruption Event"

means an event beyond the control of the Issuer or other Hedging Entity (including illiquidity in the market for the relevant Reference Assets or any legal prohibition, or material restriction imposed by any law, order or regulation on the ability of the Issuer or any Hedging Entity, to deliver the Reference Asset) as a result of which, in the reasonable opinion of the Calculation Agent, delivery of the Reference Asset Amount by or on behalf of the Issuer, in accordance with these General Security Conditions and/or the relevant Final Terms is not practicable, or as a result of which the relevant Clearing System cannot clear the transfer of the relevant Reference Assets;

"Share-for-Combined"

has the meaning ascribed to it in General Security Condition 29(b);

"Share-for-Other"

has the meaning ascribed to it in General Security Condition 29(b);

"Share-for-Share"

has the meaning ascribed to it in General Security Condition 29(b);

"Share or Shares"

means a Reference Asset that is a share, stock or other equity instrument;

"Share Issuer"	means, in respect of a Share, the Issuer of such Shares;
"Share Performance"	means, in respect of a Share and any Initial Valuation Date, Valuation Date, Initial Averaging Date, Averaging Date or any other relevant date, an amount determined in good faith by the Calculation Agent as the quotient of (i) the Closing Share Price or such other Share price as may be specified in the relevant Final Terms of such Share in respect of such date, and (ii) the Closing Share Price or such other Share price as may be specified in the relevant Final Terms of such Index in respect of the applicable Baseline Date;
"Share Price"	means (subject as provided in (i) below), on any day and any time in respect of a Share, the Exchange traded price of such Share at such time on such day as determined in good faith by the Calculation Agent (subject as provided in these General Security Conditions (including, without limitation, General Security Condition 26), provided that: (i) in the event that "Share Price (ISDA)" is specified in the relevant Final Terms to apply, or if an alternative definition of "Share Price" is set forth in the relevant Final Terms, then "Share Price" shall mean Share Price (ISDA) or such alternative definition, as the case may be and (ii) in the event that any price published on the relevant Exchange in respect of a Share and which is utilised for any calculation or determination in respect of the Securities is subsequently corrected and the correction is published by the Exchange on or before the applicable Correction Cut-off Date, such corrected price;
"Share Price (ISDA)"	means on any day and any time, (i) in respect of any Share for which the Exchange is an auction or "open outcry" exchange that has a price as of such time at which any trade can be submitted for execution, the Share Price of such Shares shall be the price per Share as of such time on the relevant day as reported in the official real-time price dissemination mechanism for such Exchange; and (ii) in respect of any Share for which the Exchange is a dealer exchange or dealer quotation system, the Share Price of such Shares shall be the mid-point of the highest bid and lowest ask prices quoted as of such time on the relevant day, (or the last such prices quoted immediately before such time) without regard to quotations that "lock" or "cross" the dealer exchange or dealer quotation system; provided that in the event that any price published on the Exchange and which is utilised for any calculation or determination

in respect of the Securities is subsequently corrected and the correction is published by the Exchange on or before the applicable Correction Cut-off Date, the Calculation Agent will determine the amount that is payable or deliverable as a result of that correction, and, to the extent necessary, will adjust any relevant terms of the Securities to account for such correction;

"Share Ranking"

means, in respect of a Share and any Initial Valuation Date, Valuation Date, Initial Averaging Date, Averaging Date or any other relevant date (for the purposes of this definition only, the **"Relevant Date"**), the unique ranking of such Share for such Relevant Date assigned by the Calculation Agent amongst all the relevant Shares, where such ranking is assigned by reference to the Share Performance of each relevant Share for such Relevant Date sequentially from the highest to the lowest, such that, for the avoidance of doubt, the Share with the highest Share Performance shall have the highest ranking and the Share with the lowest Share Performance shall have the lowest ranking, provided that, if two or more such Shares have the same Share Performance for such Relevant Date, as determined by the Calculation Agent (all such Shares, if any, being for the purposes of this definition only, **"Equal Performance Shares"**, and each being an **"Equal Performance Share"**) then:

- (i) any Share, if any, with a higher Share Performance for such Relevant Date than any such Equal Performance Share, shall have a higher Share Ranking than any such Equal Performance Share;
- (ii) any Share, if any, with a lower Share Performance for such Relevant Date than any such Equal Performance Share, shall have a lower Share Ranking than any such Equal Performance Share; and
- (iii) subject to paragraphs (i) and (ii) above, as amongst themselves, all such Equal Performance Shares shall be assigned such Share Ranking as the Calculation Agent may determine in its reasonable discretion,

or determined as otherwise specified in the relevant Final Terms;

"Share Substitution"

means, in respect of an Extraordinary Event, the selection by the Calculation Agent in its reasonable discretion of a new underlying

share (for such purpose, the "New Share"), which New Share will be deemed to be a Share in place of the Share which has been replaced by the Calculation Agent following such Extraordinary Event (and the Share Issuer of the new Share will replace the Share Issuer of the replaced Share). Any New Share will, to the extent practicable, be selected from the same industry, have shares denominated in the same currency and have a similar market capitalisation to the relevant replaced share and belong to the Reference Index.

"Specified Currency"	means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Securities are denominated;
"TARGET "	means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET/TARGET 2) System or any successor thereto;
"TARGET Settlement Day"	means any day on which TARGET is open for the settlement of payments in euro;
"TARGET System"	means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET/TARGET 2) System or any successor thereto;
"Termination Event"	has the meaning ascribed to it in General Security Condition 14(a);
"Terms "	means the terms of the Securities set out in these General Security Conditions and the relevant Final Terms regarding any Series or Tranche, as applicable;
"Trading Disruption"	means, subject as provided in General Security Condition 37, if applicable, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to the Share on the Exchange (or in the case of Securities on an Index or Index Basket, on any relevant Exchange(s) relating to Components that comprise 20 per cent. or more of the level of the relevant Index); or (ii) in futures or options contracts relating to the Share or that Index on any relevant Related Exchange;
"Tranche"	means any tranche of the Securities;
"U.S. Person"	has the meaning ascribed to it in Regulation S or the Code;

"Underlying Share Issuer"	has the meaning ascribed to it in General Security Condition 32;
"Underlying Shares"	has the meaning ascribed to it in General Security Condition 32;
"Unitary Exchange Index"	means each Index designated as such in the relevant Final Terms;
"United States"	has the meaning ascribed to such term in General Security Condition 22;
"Valid Date"	means a Scheduled Trading Day that is not a Disrupted Day and on which another Initial Averaging Date or Averaging Date, as the case may be, does not or is not deemed to occur;
"Valuation Date"	means in respect of an Index or a Share, subject as provided in General Security Condition 26(A), the Valuation Date so specified or otherwise determined as specified in the relevant Final Terms;
"Valuation Time"	means, subject as provided in General Security Condition 37, if applicable, in respect of an Index or a Share, the time specified in the relevant Final Terms or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, Initial Valuation Date, Interest Valuation Date, Initial Averaging Date or Averaging Date, as the case may be in relation to each Index or Share to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time;
"Warrant"	means an instrument identified on its face as a warrant issued under these General Security Conditions by the Issuer and the obligations of the Issuer under which are guaranteed by the Guarantor as further provided in General Security Condition 13; and
"Warrant Account Notice"	means a notice (substantially in the form which can be obtained from the Principal Agent) stating the Relevant Clearing System or Account Holder account number and name of the person to whom the Reference Asset is to be delivered (if any) and all other amounts payable by the Issuer in respect of the applicable Securities are to be paid.

36. **Credit Linkage Provisions**

In respect of Credit Linked Securities, the "Credit Linkage Provisions" will be as set forth in the relevant Final Terms and references in these General Security Conditions to "Credit Linkage Provisions" shall be to such Final Terms (including Part C thereof).

37. **Market Disruption Provisions and Securities Linked to Indices**

In relation to any Securities which are linked to an Index or an Index Basket, the provisions of, and the terms and expressions defined in Part A of the Schedule to the General Note Conditions and the General Security Conditions, in the case of a Composite Commodity Index, Part B of the Schedule to the General Note Conditions and the General Security Conditions in the case of a Multi-Exchange Index, Part C of the Schedule to the General Note Conditions and the General Security Conditions in the case of a Unitary Exchange Index or Part D of the Schedule to the General Note Conditions and the General Security Conditions in the case of a Proprietary Index (each, a **'Sub-Schedule'**), as the case may be, as may be specified (with or without amendment) in the relevant Final Terms as being applicable to an Index, shall apply in relation to such Index for the purposes of the Securities. General Security Conditions 28 and 35 are amended accordingly pursuant to the terms of such Sub-Schedule as is stated to be applicable in relation to such Index and such Securities.

38. **Duties of the Calculation Agent**

The Calculation Agent when making any calculation, determination or adjustment under this General Securities Conditions shall act in good faith and in a commercially reasonable manner.

SCHEDULE TO THE GENERAL NOTE CONDITIONS AND THE GENERAL SECURITY CONDITIONS

Part A

Market Disruption Provisions – Composite Commodity Index

1. Disrupted Day Any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index (provided that the Calculation Agent may, in its reasonable discretion, determine that such event instead results in the occurrence of an Index Disruption), (ii) the Related Exchange fails to open for trading during its regular trading session, or (iii) a Market Disruption Event has occurred.
2. Early Closure The closure on any Exchange Business Day of the Exchange in respect of any Component, or the Related Exchange, prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day, and (ii) the submission deadline for orders to be entered onto such Exchange or Related Exchange system for execution as at the relevant Valuation Time on such Exchange Business Day.
3. Exchange Each exchange on which any Component of the Index is, in the reasonable determination of the Calculation Agent, principally traded, or as otherwise determined by the Calculation Agent in its reasonable discretion, any successor to such Exchange or quotation system or any substitute exchange or quotation system to which trading in the Components underlying the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity to Components underlying the Index on such temporary substitute exchange or quotation system as on the original Exchange).
4. Exchange Business Day Any Scheduled Trading Day on which (i) the Index Sponsor calculates and publishes the level of the Index, and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.
5. Exchange Disruption Any event (other than an Early Closure) that disrupts or impairs (as reasonably determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (i) any Component on the relevant Exchange in respect of such Component, or (ii) futures or options contracts relating to the Index on the relevant Related Exchange.
6. Index Sponsor The Index Sponsor specified in the relevant Final Terms, and, failing that, the corporation(s) or other entity/ies that, in the determination of the Calculation Agent, (i) is/are responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index, and (ii) announce(s) (directly or through an agent) the level of the Index on a regular basis

during each Scheduled Trading Day.

7. Market Disruption Event Either:
- (i) (a) the occurrence or existence, in respect of any Component, of:
 - (I) a Trading Disruption in respect of such Component, which the Calculation Agent reasonably determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded;
 - (II) an Exchange Disruption in respect of such Component, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded; or
 - (III) an Early Closure in respect of such Component; and
 - (b) the aggregate of all Components in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; or
 - (ii) the occurrence or existence, in each case in respect of futures or options contracts relating to the Index, of (a) a Trading Disruption, or (b) an Exchange Disruption, which in either case the Calculation Agent reasonably determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange, or (c) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists in respect of the Index at any time, if an Early Closure, an Exchange Disruption or a Trading Disruption occurs in respect of a Component at that time, then the relevant percentage contribution of that Component to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component and (y) the overall level of the Index, in each case using the official opening weightings as published by the relevant Index Sponsor as part of the market "opening data" immediately before the occurrence of such Early Closure, Exchange Disruption or Trading Disruption, as the case may be, in respect of such Component.

8. Related Exchange The principal exchange on which options and futures contracts on the Index are traded, if any, as reasonably

determined by the Calculation Agent, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided however that where "All Exchanges" is specified as the Related Exchange in the relevant Final Terms, "Related Exchange" shall mean each exchange or quotation system (as the Calculation Agent may select) where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index or, in any such case, any transferee or successor exchange of such exchange or quotation system.

9. Scheduled Trading Day Unless otherwise specified in the relevant Final Terms, any day on which (i) the Index Sponsor is scheduled to publish the level of the Index, and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session.
10. Trading Disruption Any suspension or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to any Component on the Exchange in respect of such Component, or (ii) in futures or options contracts relating to the Index on the Related Exchange.
11. Valuation Time (i) For the purposes of determining whether an Early Closure, an Exchange Disruption or a Trading Disruption has occurred in respect of (a) any Component, the Scheduled Closing Time on the Exchange in respect of such Component (provided that, if the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (b) any options contracts or future contracts on the Index, the close of trading on the Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

SCHEDULE TO THE GENERAL NOTE CONDITIONS AND THE GENERAL SECURITY CONDITIONS

Part B

Market Disruption Provisions – Multi-Exchange Index

1. **Disrupted Day**

Any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index (provided that the Calculation Agent may, in its reasonable discretion, determine that such event instead results in the occurrence of an Index Disruption), (ii) the Related Exchange fails to open for trading during its regular trading session, or (iii) a Market Disruption Event has occurred.
2. **Early Closure**

The closure on any Exchange Business Day of the Exchange in respect of any Component, or the Related Exchange, prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day, and (ii) the submission deadline for orders to be entered onto such Exchange or Related Exchange system for execution as at the relevant Valuation Time on such Exchange Business Day.
3. **Exchange**

Each exchange on which any Component Security of the Index is, in the reasonable determination of the Calculation Agent, principally traded, or as otherwise determined by the Calculation Agent in its reasonable discretion, any successor to such Exchange or quotation system or any substitute exchange or quotation system to which trading in the Components underlying the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity to Components underlying the Index on such temporary substitute exchange or quotation system as on the original Exchange).
4. **Exchange Business Day**

Any Scheduled Trading Day on which (i) the Index Sponsor calculates and publishes the level of the Index, and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.
5. **Exchange Disruption**

Any event (other than an Early Closure) that disrupts or impairs (as reasonably determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for (i) any Component on the relevant Exchange in respect of such Component, or (ii) futures or options contracts relating to the Index on the relevant Related Exchange.
6. **Index Sponsor**

The Index Sponsor specified in the relevant Final Terms and, failing that, the corporation(s) or other entity/ies that, in the determination of the Calculation Agent, (i) is/are responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index, and (ii) announce(s) (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day.

7. Market Disruption Event Either:
- (i) (a) the occurrence or existence, in respect of any Component, of:
 - (I) a Trading Disruption in respect of such Component, which the Calculation Agent reasonably determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded;
 - (II) an Exchange Disruption in respect of such Component, which the Calculation Agent reasonably determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component is principally traded; or
 - (III) an Early Closure in respect of such Component; and
 - (b) the aggregate of all Components in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; or
 - (ii) the occurrence or existence, in each case in respect of futures or options contracts relating to the Index, of (a) a Trading Disruption, or (b) an Exchange Disruption, which in either case the Calculation Agent reasonably determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange, or (c) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists in respect of the Index at any time, if an Early Closure, an Exchange Disruption or a Trading Disruption occurs in respect of a Component at that time, then the relevant percentage contribution of that Component to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component and (y) the overall level of the Index, in each case using the official opening weightings as published by the relevant Index Sponsor as part of the market "opening data" immediately before the occurrence of such Early Closure, Exchange Disruption or Trading Disruption, as the case may be, in respect of such Component.

8. Related Exchange
- Each exchange or quotation system specified as such in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (provided that the Calculation Agent has reasonably determined that there is comparable liquidity relative to the futures or options contracts relating to the

Index on such temporary substitute exchange or quotation system as on the original Related Exchange); provided however that where "All Exchanges" is specified as the Related Exchange, "Related Exchange" shall mean each exchange or quotation system (as the Calculation Agent may select) where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index or, in any such case, any transferee or successor exchange of such exchange or quotation system.

9. Scheduled Trading Day Unless otherwise specified in the relevant Final Terms, any day on which (i) the Index Sponsor is scheduled to publish the level of the Index, and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session.
10. Trading Disruption Any suspension or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to any Component on the Exchange in respect of such Component, or (ii) in futures or options contracts relating to the Index on the Related Exchange.
11. Valuation Time (i) For the purposes of determining whether an Early Closure, an Exchange Disruption or a Trading Disruption has occurred in respect of (a) any Component, the Scheduled Closing Time on the Exchange in respect of such Component (provided that, if the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (b) any options contracts or future contracts on the Index, the close of trading on the Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

SCHEDULE TO THE GENERAL NOTE CONDITIONS AND THE GENERAL SECURITY CONDITIONS

Part C

Market Disruption Provisions– Unitary Exchange Index

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| 1. | Disrupted Day | Has the meaning ascribed to it in General Note Condition 4(h) or General Security Condition 35, as the case may be. |
| 2. | Early Closure | Has the meaning ascribed to it in General Note Condition 4(h) or General Security Condition 35, as the case may be. |
| 3. | Exchange | The Exchange specified in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the shares underlying the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the shares underlying the Index on such temporary substitute exchange or quotation system as on the original Exchange). |
| 4. | Exchange Business Day | Has the meaning ascribed to it in General Note Condition 4(h) or General Security Condition 35, as the case may be. |
| 5. | Exchange Disruption | Has the meaning ascribed to it in General Note Condition 4(h) or General Security Condition 35, as the case may be. |
| 6. | Index Sponsor | The Index Sponsor specified in the relevant Final Terms, and, failing that, the corporation(s) or other entity/ies that, in the determination of the Calculation Agent, (i) is/are responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index, and (ii) announce(s) (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day. |
| 7. | Market Disruption Event | The occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent reasonably determines is material, at any time during the one hour period that ends at the relevant Valuation Time or Latest Exercise Time, as the case may be, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a Component included in the Index at any time, then the relevant percentage contribution of that Component to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event. |
| 8. | Related Exchange | Each exchange or quotation system specified as such in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange); provided however that where "All Exchanges" is specified as the Related Exchange, "Related |

Exchange" shall mean each exchange or quotation system (as the Calculation Agent may select) where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index or, in any such case, any transferee or successor exchange of such exchange or quotation system.

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| 9. | Scheduled Trading Day | Unless otherwise specified in the relevant Final Terms, has the meaning ascribed to it in General Note Condition 4(h) or General Security Condition 35, as the case may be. |
| 10. | Trading Disruption | Has the meaning ascribed to it in General Note Condition 4(h) or General Security Condition 35, as the case may be. |
| 11. | Valuation Time | (i) For the purposes of determining whether a Market Disruption Event has occurred in respect of (a) any Component, the Scheduled Closing Time on the Exchange in respect of such Component (provided that, if the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (b) any options contracts or future contracts on the Index, the close of trading on the Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor. |

**SCHEDULE TO THE GENERAL NOTE CONDITIONS AND THE GENERAL SECURITY
CONDITIONS**

Part D

Market Disruption Provisions – Proprietary Index

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| 1. | Disrupted Day | Each Scheduled Trading Day on which a Market Disruption Event has occurred (provided that the Calculation Agent may, in its reasonable discretion, determine that the occurrence of such event instead results in the occurrence of an Index Disruption). |
| 2. | Index Sponsor | The Index Sponsor specified in the relevant Final Terms, and, failing that, the corporation(s) or other entity/ies that, in the reasonable determination of the Calculation Agent, (i) is/are responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index, and (ii) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day. |
| 3. | Market Disruption Event | The failure by the Index Sponsor to calculate and publish the level of the Index on any Scheduled Trading Day. |
| 4. | Scheduled Trading Day | Any day on which the Index Sponsor is scheduled to publish the level of Index. |
| 5. | Valuation Time | The time at which the Index Sponsor calculates and publishes the official closing level of the Index. |

USE OF PROCEEDS

The net proceeds from each issue of the Instruments will be used by the Issuer for its general corporate purposes (including hedging arrangements). To the extent that the net proceeds of an issue of Instruments are not applied for the purposes of making profit and/or hedging certain risks, the relevant Final Terms shall contain further information including the principal intended uses and the order of priority in which such uses are ranked.

FORM OF GUARANTEE

The following is the form of the Guarantee dated 23 April 2009 made by JPMorgan Chase Bank, National Association:

J.P. Morgan Structured Products B.V. Structured Products Programme for the issuance of Notes, Warrants and Certificates (the "**Programme**").

J.P. Morgan Structured Products B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands (the "**Obligor**"), from time to time issues Notes (up to a Programme limit of USD 1,000,000,000), Warrants and Certificates (each as defined in the Agency Agreement described below) under the captioned Programme (such Notes, Warrants and Certificates, the "**Instruments**") (all holders of Instruments, the "**Beneficiaries**"), with the benefit of (a) an amended and restated agency agreement dated 23 April 2009 among the Obligor, JPMorgan Chase Bank, National Association, a national banking association organised under the federal laws of the United States of America ("**Guarantor**"), BNP Paribas Securities Services as Fiscal Agent and the other agents named therein (the "**Agency Agreement**"), and (b) this guarantee (the "**Guarantee**"), under the terms and conditions set out in the Agency Agreement and (c) certain Final Terms (defined in the Agency Agreement) and such Instruments may be subscribed by Dealers in accordance with (d) an amended and restated programme agreement dated 23 April 2009 (the "**Programme Agreement**") (the foregoing, together, as amended and/or supplemented and/or restated from time to time, the "**Programme Documents**").

This Guarantee amends, supplants and replaces in its entirety, for all Instruments issued by the Obligor under the Programme on or after 23 April 2009 (the "**Effective Date**"), the guarantee referenced in the Base Prospectus for the Programme dated 18 December 2007 (the "**Original Guarantee**") save as provided in the immediately following sentence. The Original Guarantee applies to all Instruments issued under the Programme before that date and to any Instruments which are expressed to be consolidated and form a single Series with any Instruments issued prior to the Effective Date.

For value received, Guarantor hereby agrees, for the sole and exclusive benefit of the Beneficiaries, as follows:

- (1) **Guarantee.** Guarantor absolutely and unconditionally guarantees to Beneficiaries the prompt and complete payment and performance when, where and as the same shall become due, whether by acceleration or otherwise, of all obligations and liabilities, whether now in existence or hereafter arising, of the Obligor to Beneficiaries under the Instruments (such obligations and liabilities, the "**Obligations**"). If the Obligor fails to meet any of its Obligations in full, Guarantor shall, as an independent obligation, promptly upon written notice of such failure from the applicable Beneficiary or its agent, meet or cause to be met such Obligation to such Beneficiary in accordance with all applicable terms and provisions of the applicable Instrument and of the other Programme Documents, as if such payment were made by the Obligor.
- (2) **Guarantee of Payment, not Collection.** This Guarantee is a guarantee of payment and performance and not of collection only. The Beneficiaries shall not be required to exhaust any right or remedy or take any action against the Obligor or any other person or entity or any collateral as a condition to payment by Guarantor hereunder.
- (3) **Guarantee Irrevocable.** This Guarantee is a continuing guarantee of all Obligations now or hereafter existing and shall remain in full force and effect until complete payment and performance of all Obligations and until no Instrument remains outstanding and no further Instruments may be issued.
- (4) **Guarantee Absolute.** Guarantor guarantees that the Obligations shall be timely performed and paid strictly in accordance with all applicable terms of the Programme Documents as if such payment were made by the Obligor. Guarantor's liability hereunder is absolute and unconditional irrespective of any matter or circumstance whatsoever with respect to the Programme Documents or the transactions contemplated thereby which might constitute a defence available to, or discharge of, the Obligor or the Guarantor, including, without limitation:

- (a) any change in the amount, time, manner or place of payment of, or in any other term of, all or any of the Programme Documents or Obligations, or any other amendment or waiver of or any consent to departure from any of the terms of any Programme Document or Obligation;
 - (b) any release or amendment or waiver of, or consent to departure from, any other guaranty or support document, or any exchange, release or non perfection of any collateral, for all or any of the Programme Documents or Obligations;
 - (c) any present or future law, regulation or order of any jurisdiction (whether of right or in fact) or other action or order of any agency thereof purporting to reduce, amend, restructure or otherwise affect any term of any Programme Document or Obligation;
 - (d) any lack of validity or enforceability of any Programme Document or Obligation;
 - (e) any injunction, stay or similar action in any bankruptcy, insolvency or other proceeding barring or limiting payment of the Obligations, or any of them, by Obligor;
 - (f) the absence of any action to enforce the Obligations or any collateral therefore;
 - (g) the rendering of any judgment against the Obligor or any action to enforce the same;
 - (h) any bankruptcy or insolvency of the Obligor or any other person or any similar event or circumstance or any proceeding relating thereto;
 - (i) any event or circumstance constituting fraud in the inducement or any other similar event or circumstance; and
 - (j) any lack or limitation of status or of power, or any incapacity or disability, of the Obligor, or of any other guarantor or obligor in respect of any Obligation, or any change whatsoever in the objects, capital structure, constitution or business of the Obligor.
- (5) **Waiver of Defences.** Guarantor hereby waives diligence, presentment, demand of payment (except as provided in paragraph (1)), any right to require a proceeding against the Obligor, protest or notice with respect to the Obligations or the amounts payable by the Obligor under the Programme Documents and all demands whatsoever, and covenants that this Guarantee will not be discharged except by complete payment and performance of the Obligations. The grant of time or other indulgence to the Obligor shall in no manner release the Guarantor from any of its obligations hereunder.
- (6) **Reinstatement.** This Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time any payment and performance of any of the Obligations is rescinded or must otherwise be returned by a Beneficiary upon the insolvency, bankruptcy or reorganization of the Obligor or otherwise, all as though the payment and performance had not been made.
- (7) **Subrogation.** Guarantor shall be subrogated to all rights of the Beneficiaries against the Obligor in respect of any amounts paid by the Guarantor pursuant to the provisions of this Guarantee; provided, however, that Guarantor shall not be entitled to enforce or to receive any payments arising out of, or based upon, such right of subrogation until the Obligations have been paid in full.
- (8) **Representations/Warranties.** Guarantor represents and warrants to each Beneficiary that, as of the date hereof:
- (a) it is a national banking association duly organised, validly existing and in good standing under the federal laws of the United States of America;
 - (b) it has the full power and authority to execute and deliver this Guarantee and to perform its obligations under this Guarantee and it has taken all necessary action to authorize

such execution, delivery and performance, and this Guarantee has been duly executed and delivered by the Guarantor;

- (c) this Guarantee constitutes a legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, receivership and other similar laws affecting the rights of creditors generally, and by general principles of equity; and
 - (d) no authorizations, approvals or consents of, and no filings or registrations with, any governmental authority are necessary for the execution, delivery or performance by the Guarantor of this Guarantee or for the validity or enforceability hereof.
- (9) **Captions.** The headings and captions in this Guarantee are for convenience only and shall not affect the interpretation or construction of this Guarantee.
- (10) **Not Insured.** This Guarantee is not insured by the Federal Deposit Insurance Corporation of the United States of America and is payable solely where the payment is specified to be made in accordance with the terms of the Instruments.
- (11) **GOVERNING LAW.** THIS GUARANTEE AND ALL MATTERS ARISING OUT OF OR RELATING TO THIS GUARANTEE SHALL BE GOVERNED BY, AND THIS GUARANTEE SHALL BE CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, UNITED STATES OF AMERICA, WITHOUT GIVING EFFECT TO CHOICE OF LAW DOCTRINE.
- (12) **JURISDICTION:** THE PARTIES AGREE THAT ANY AND ALL SUITS, ACTIONS AND PROCEEDINGS TO ENFORCE ANY AND ALL RIGHTS OR OBLIGATIONS RELATING TO THIS GUARANTEE, OR TO RESOLVE ANY DISPUTE ARISING HEREUNDER, SHALL BE BROUGHT EXCLUSIVELY BEFORE THE NEW YORK STATE OR FEDERAL COURTS LOCATED IN THE STATE OF NEW YORK, COUNTY OF NEW YORK, AND HEREBY CONSENT TO THE JURISDICTION OF SUCH COURTS. THE PARTIES HEREBY WAIVE ANY OBJECTION TO VENUE OF SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH COURTS AND ANY CLAIM THAT ANY SUCH SUIT, ACTION, OR PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION OR PROCEEDING RELATING TO OR ARISING OUT OF THIS GUARANTEE.

FORM OF FINAL TERMS FOR THE NOTES

The form of Final Terms that will be issued in respect of each Tranche, subject to the deletion of non-applicable provisions, addition of any applicable provisions and disclosure and/or amendments to the General Note Conditions, is set out below:

Final Terms dated [●] ss

J.P. Morgan Structured Products B.V.
(incorporated with limited liability in The Netherlands)
as Issuer

JPMorgan Chase Bank, N.A.
(a national banking association organised pursuant to the laws of the United States of America)
as Guarantor

French law Programme for the issuance of Notes, Warrants and Certificates

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the General Note Conditions set forth in the Base Prospectus (as defined below) to the agency agreement dated 23 April 2009 and as may be further supplemented or amended and restated up to and including the Issue Date (the "**Agency Agreement**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") and must be read in conjunction with the base prospectus for the purposes of the Prospectus Directive dated 23 April 2009, including the information incorporated by reference therein, [and the Supplements thereto listed in the Annex hereto] (the "**Base Prospectus**"). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available on JPMorgan's website (www.jpmorgansp.com). [Copies of these Final Terms will be available from the specified office of the [French Paying Agent /Dutch Paying Agent] / [Dutch Listing Agent/Luxembourg Listing Agent] [insert relevant address] (include only for listed Notes).]

[Include following if a non-exempt public offer, and the offer period extends past the anniversary date of the Base Prospectus]

[Notwithstanding the above, in the event that the offer period (if any) specified in these Final Terms extends beyond the date which is one year from [●] then, upon publication on or prior to such date of a prospectus under the Programme which supersedes and replaces the Base Prospectus (the "**Updated Base Prospectus**"), the Final Terms should be read in conjunction with the Updated Base Prospectus in place of the original Base Prospectus for the purposes of Article 5.4 of the Prospectus Directive (save that the General Note Conditions, together with any applicable Annexes and Schedules, set forth in the original Base Prospectus (and which shall be attached to these Final Terms) shall continue to apply to the Notes, and the General Note Conditions, together with any applicable Annexes and Schedules, set forth in the Updated Base Prospectus shall not apply to the Notes).]

The Issue Price specified below may be more than the market value of the Notes as at the Issue Date, and the price, if any, at which J.P. Morgan Securities Ltd. ("JPMSL") or any other person is willing to purchase the Notes in secondary market transactions is likely to be lower than the Issue Price. In particular, the Issue Price may take into account amounts with respect to commissions relating to the issue and sale of the Notes as well as amounts relating to the hedging of the Issuer's Obligations under the Notes, and secondary market prices are likely to exclude such amounts. In addition, whilst the proprietary pricing models of JPMSL are based on well recognised financial principles, other market participants' pricing models may differ or produce a different result.

[If any commissions or fees relating to the issue and sale of these Notes have been paid or are payable by the Dealer to an intermediary, then such intermediary may be obliged to fully disclose

to its clients the existence, nature and amount of any such commissions or fees (including, if applicable, by way of discount) as required in accordance with laws and regulations applicable to such intermediary, including any legislation, regulation and/or rule implementing the Markets in Financial Instruments Directive (2004/39/EC) ("MiFID"), or as otherwise may apply in any non-EEA jurisdictions. Potential investors in these Notes intending to purchase Notes through an intermediary (including by way of introducing broker) should request details of any such commission or fee payment from such intermediary before making any purchase hereof.]

The due and punctual settlement of all obligations of the Issuer under the Notes issued under the Agency Agreement is irrevocably and unconditionally guaranteed (the "**Guarantee**") by JPMorgan Chase Bank, N.A. (the "**Guarantor**"). The Guarantee (i) is an unsecured and unsubordinated general obligation of the Guarantor; (ii) is not a savings account or deposit of the Guarantor or any bank or non-bank subsidiary of the Guarantor; and (iii) is not insured by the U.S. Federal Deposit Insurance Corporation (the "**FDIC**"), the U.S. Deposit Insurance Fund or any other governmental agency or instrumentality. The Guarantee is not an obligation of the Guarantor's parent company, JPMorgan Chase, or any of the Guarantor's other affiliates. The Guarantee will rank *pari passu* with all other unsecured and unsubordinated indebtedness of the Guarantor except obligations, including U.S. domestic deposits, that are subject to any priorities or preferences by law.

Purchase of these Notes involves substantial risks

Prospective investors should ensure that they understand the nature of the risks posed by, and the extent of their exposure under, the Notes. Prospective investors should make all pertinent inquiries they deem necessary without relying on the Issuer (as defined in paragraph 1), the Guarantor, or JPMSL. Prospective investors should consider the suitability of the Notes as an investment in light of their own circumstances, investment objectives, tax position and financial condition. Prospective investors should consider carefully all the information set forth in these Final Terms [along with all the information set forth in the Base Prospectus. Prospective investors should pay particular attention to the section entitled "Risk Factors" in the Base Prospectus (pages 22 to 47 inclusive)]. [Because the Notes are linked to [insert name of underlying asset(s)] (the "**Underlying Asset[s]**"), an investment in the Notes entails significant risks in addition to those associated with investments in a conventional debt security. The price performance of the Underlying Asset[s] may affect the nature and value of the investment return on the Notes. In particular, where the Notes are redeemed by the Issuer by delivery of the Underlying Asset[s] the value of such Underlying Asset[s] may be less than the principal amount of the Notes together with any accrued interest and may in certain circumstances be valueless. Investors should form their own views on the merits of an investment related to the Underlying Asset[s] based upon their own such investigations of the Underlying Asset[s] and should not rely on any information given in these Final Terms.]

Any individual intending to invest in any investment described in this document should consult his or her professional adviser and ensure that he or she fully understands all the risks associated with making such an investment and has sufficient financial resources to sustain any loss that may arise from it.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

[When completing any final terms or adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

- | | | | |
|----|-------|----------------------------|---------------------------------------|
| 1. | (i) | Issuer: | J.P. Morgan Structured Products B.V.. |
| | (ii) | Guarantor: | JPMorgan Chase Bank, N.A. |
| | (iii) | Governing law of the Notes | French law |

- (iv) Are the Notes to be issued in the form of *obligations* under French law? [Yes/No]¹
2. (i) Series Number: [●]
- (ii) [Tranche Number: [●]]
- (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)]*
3. **Specified Currency or Currencies:** [●]
4. **Settlement Currency:** [●]
5. **Relevant Exchange Rate:** [●]
6. **Aggregate Nominal Amount [of Notes to be admitted to trading]:**
- (i) Series: [●]
- (ii) [Tranche: [●]]
7. **Issue Price:** [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (in the case of fungible issues only, if applicable)] *[/[amount in specified currency] per Unit]*
- The Issue Price specified [on/at [page/item]/above] may be more than the market value of the Notes as at the Issue Date, and the price, if any, at which [the Dealer] or any other person is willing to purchase the Notes in secondary market transactions is likely to be lower than the Issue Price. In particular, the Issue Price may take into account amounts with respect to commissions relating to the issue and sale of the Notes as well as amounts relating to the hedging of the Issuer's obligations under the Notes, and secondary market prices are likely to exclude such amounts. In addition, pricing models of relevant market participants may differ or produce a different result.

¹ Please select "yes" only if the Notes have a Specified Denomination of at least 0.1 euro, the Series comprises at least five Notes, the holders of the relevant Notes are grouped in a Masse in accordance with General Note Condition 9 and all Notes confer the same rights against the issuer at any time.

[If any commissions or fees relating to the issue and sale of these Notes have been paid or are payable by the Dealer to an intermediary, then such intermediary may be obliged to fully disclose to its clients the existence, nature and amount of any such commissions or fees (including, if applicable, by way of discount) as required in accordance with laws and regulations applicable to such intermediary, including any legislation, regulation and/or rule implementing MiFID, or as otherwise may apply in any non-EEA jurisdictions.

Potential investors in these Notes intending to purchase Notes through an intermediary (including by way of introducing broker) should request details of any such commission or fee payment from such intermediary before making any purchase hereof.]

8. (i) Issue Size: [●]
- (ii) Minimum trading size: [●]
- (iii) Specified Denomination: [●]
9. (i) Issue Date: [●]
- (ii) Interest Commencement Date: [Specify/Issue Date]
10. **Maturity Date:** [specify date or (for Floating Rate Notes) Interest Payment Date falling in the relevant month and year]
11. **Redemption Date:** [Specify for Equity and Index Linked Notes]
12. **Interest Basis:** [[●] per cent. Fixed Rate]
[specify reference rate] +/- [●] per cent.
[Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Equity Linked Interest]
[Credit Linked Interest]
[Dual Currency Interest]
[Non-interest bearing]
[Commodity Linked Interest]
[Fund Linked Interest]
[Foreign Exchange Linked Interest]
[Other Variable Linked Interest]
[Inflation Linked Interest]
[Other (specify)] (further particulars specified below)
13. **Redemption/Payment Basis:** [Redemption at par]
[Index Linked Redemption]
[Equity Linked Redemption]
[Credit Linked Redemption]
[Commodity Linked Redemption]
[Fund Linked Redemption]

- [Foreign Exchange Linked Redemption]
[Other Variable Linked Redemption]
[Dual Currency]
[Partly Paid]
[Other (specify) further particulars specified below)].
14. **Change of Interest or Redemption/
Payment Basis:** *[Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]*
15. **Put/Call Options:** [Put]
[Call]
[(further particulars specified below)]
16. (i) Status of the Notes: Unsubordinated
(ii) Status of the Guarantee: Unsubordinated
(iii) Date of Board approval for issuance of Notes obtained : [] December 2008
17. **Method of distribution:** [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

18. **Fixed Rate Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate [(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear][subject as provided in (iii) below]
- (ii) Interest Payment Date(s): [●] [in each year]
(NB: This will need to be amended in the case of long or short coupons)
- (iii) Fixed Coupon Amount[(s)]: [●] per [●] in nominal amount [(for the avoidance of doubt, the amount of interest payable on the Interest Payment Date shall be the Fixed Coupon Amount)]
- (iv) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)] and the Interest Payment Date(s) to which they relate]*
- (v) Day Count Fraction (General Note Condition 3(j)): [30/360 or Actual/Actual (ICMA) or specify other]
(Day count fraction should be Actual/Actual-ICMA for all fixed rate issues other than those denominated in U.S. dollars, unless otherwise agreed).

- (vi) Determination Date(s) (General Note Condition 3(j)): *[Insert day(s) and month(s) on which interest is normally paid (if more than one, then insert such dates in the alternative)]* [in each year]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
19. **Floating Rate Provisions:** [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate for Notes denominated in euro)*
- (i) Specified Period(s)/Specified Interest Payment Dates: [●]
- (ii) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)] [unadjusted]
- (iii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]
- (iv) Interest Period Date(s): [Not Applicable/specify dates]
- (v) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): [●]
- (vi) Screen Rate Determination (General Note Condition 3(b)(iii)(B)):
- Relevant Time: [●]
- Interest Determination Date: [[●] [TARGET Settlement] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]]
- Primary Source for Floating Rate: [Specify relevant screen page or "Reference Banks"]
- Reference Banks (if Primary Source is "Reference Banks"): [Specify five]
- Relevant Financial Centre: [The financial centre most closely connected to the Benchmark - specify if not London]
- Benchmark: [LIBOR, LIBID, LIMEAN 0, EURIBOR or other benchmark]
- Representative Amount: [Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]

- Effective Date: *[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]*
- Specified Duration: *[Specify period for quotation if not duration of Interest Accrual Period]*
- (vii) ISDA Determination (General Note Condition 3(b)(iii)(A)):
 - Floating Rate Option: [●]
 - Designated Maturity: [●]
 - Reset Date: [●]
 - ISDA Definitions: [2000 Definitions][2006 Definitions][*other*]
- (viii) Margin(s): [+/-][●] per cent. per annum
- (ix) Minimum Rate of Interest: [●] per cent. per annum
- (x) Maximum Rate of Interest: [●] per cent. per annum
- (xi) Day Count Fraction (General Note Condition 3(j)): [●]
- (xii) Rate Multiplier: [●]
- (xiii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the General Note Conditions: [●]
- 20. **Zero Coupon Note Provisions:** *[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
 - (i) Amortisation Yield (General Note Condition 4(b)): [●] per cent. per annum
 - (ii) Day Count Fraction (General Note Condition 3(j)): [●]
 - (iii) Any other formula/basis of determining amount payable: [●]

21. **Index Linked Interest Notes/Commodity Linked Interest Notes/Foreign Exchange Linked Interest Notes/Fund Linked Interest Notes/Credit Linked Interest Notes/Inflation Linked Interest Notes/Other Variable Linked Interest Notes:**
- [Applicable/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)
- (if applicable, specify:)
- [Index Linked Interest Notes/Commodity Linked Interest Notes/Foreign Exchange Linked Interest Notes/Fund Linked Interest Notes/Credit Linked Interest Notes/Inflation Linked Interest Notes/Other Variable Linked Interest Notes] (delete non-applicable terms)
- [Include the following if other than Index Linked Interest (or if need to include Index Linked Interest in Part C of these Final Terms below) and delete the remaining subparagraphs of this paragraph:]
- [See the relevant terms set forth in Part C of these Final Terms below.]
- [Give or annex details]
- (i) Index: [●]
- (ii) Type of Index for the purposes of General Note Condition 14: [Composite Commodity Index/Multi-Exchange Index/Unitary Exchange Index/Proprietary Index²/Not Applicable]
- (iii) Index Sponsor: [●]³
- (iv) Exchange: [●]⁴
- (v) Related Exchange: [●]/[All Exchanges]⁵
- (vi) Index Level: [Applicable/Not Applicable]
- (vii) Closing Index Level: [Applicable/Not Applicable]
- (viii) Specified Period(s)/Specified Interest Payment Dates: [●]
- (ix) Rate of Interest/Interest Amount: [●]
- (x) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (xi) Minimum Rate of Interest: [●] per cent. per annum
- (xii) Maximum Rate of Interest: [●] per cent. per annum

² Specify for each Index in the Index Basket, if applicable.

³ Specify for each Index in the Index Basket, if applicable.

⁴ Specify for each Index in the Index Basket, if applicable.

⁵ Specify for each Index in the Index Basket, if applicable.

- (xiii) Day Count Fraction (General Note Condition 3(j)): [●]
- (xiv) Index Performance: [Applicable/Not Applicable/[●] *[Specify if different from General Note Conditions]*]
- (xv) Index Ranking: [Applicable/Not Applicable/[●] *[Specify if different from General Note Conditions]*]
- (xvi) Knock-in Event: [●]/[Not Applicable]
- (xvii) Knock-out Event: [●]/[Not Applicable]
- (xviii) Valuation Date: [●]
- (xix) Valuation Time: *[Specify if different from General Note Conditions]*
- (xx) Initial Valuation Date: [●]
- (xxi) Interest Valuation Date: [●]
- (xxii) Initial Averaging Dates or Averaging Dates (General Note Condition 4 (i)(iv)): [Applicable/Not Applicable/specify other]
- (a) Omission: [Applicable/Not Applicable]
- (b) Postponement: [Applicable/Not Applicable]
- (c) Modified Postponement: [Applicable/Not Applicable]
- (xxiii) Baseline Date: [[●] /Not Applicable]
- (xxiv) Disrupted Day/Market Disruption Events: [In respect of [the/each] Index, General Note Condition 4(h) and General Note Condition 4(i) shall apply, as amended pursuant to General Note Condition 14, for [the/each] Index[, save as follows:]
- [specify in respect of any Indices for which General Note Condition 14 does not apply what other Disrupted Day/Market Disruption Event terms shall apply]*
- [If the relevant interest valuation/valuation/averaging date must fall on the scheduled valuation/averaging date, then specify as follows:]*
- [In respect of [the/each] Index and [Initial] [Interest Valuation/Valuation/Averaging] Date[s]]: No Adjustment]
- (xxv) Correction Cut-off Date: [In respect of *[specify each date for which there is a Correction Cut-off Date]* [●]/[Not Applicable]

- (xxvi) Maximum Disruption Extension Period (if other than eight Scheduled Trading Days in respect of any relevant date): [Not Applicable/(give details)]
- (xxvii) Index Disclaimer: [Applicable *unless otherwise stated*]
- (xxviii) Other terms or special conditions: [●]
22. **Equity Linked Interest Note Provisions:** [Applicable/Not Applicable] (*If not applicable, delete remaining sub-paragraphs of this paragraph*)
- (i) Share: [[Name of Share] (Bloomberg Code: [●], ISIN: [●])]
- (ii) Share Issuer: [●]⁶
- (iii) Share Price: [Applicable/Not Applicable]
- (iv) Share Price (ISDA): [Applicable/Not Applicable]
- (v) Closing Share Price: [Applicable/Not Applicable]
- (vi) Specified Period(s)/Specified Interest Payment Dates: [●]
- (vii) Interest Amount/Interest Payment Date: [●]
- (viii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
- (ix) Minimum Rate of Interest: [●]
- (x) Maximum Rate of Interest: [●]
- (xi) Day Count Fraction (General Note Condition 3(j)): [●]
- (xii) Whether satisfaction of the coupons relating to the Notes will be by (a) Cash Settlement or (b) Physical Delivery or (c) Cash Settlement and/or Physical Delivery: [Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery]
(*If Cash Settlement and/or Physical Delivery specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply*)
- (xiii) Share Performance: [Applicable/Not Applicable/[●] [*Specify if different from General Note Conditions*]]
- (xiv) Share Ranking: [Applicable/Not Applicable/[●] [*Specify if different from General Note Conditions*]]
- (xv) Knock-in Event: [●]/[Not Applicable]

⁶ Specify for each Share in the Share Basket, if applicable.

(xvi)	Knock-out Event:	[●]/[Not Applicable]
(xvii)	Exchange:	[●]
(xviii)	Related Exchange(s):	[●]/[All Exchanges]
(xix)	Options Exchange:	[●]
(xx)	Potential Adjustment Events (General Note Condition 4(j)(iv)):	[Applicable/Not Applicable/ <i>specify other</i>]
(xxi)	(a) Nationalisation, De-listing, Insolvency (General Note Condition 4(j)(v)(B)):	[Applicable [<i>specify consequence</i>]/Not Applicable/ <i>specify other</i>]
	(b) Share Substitution in relation to Extraordinary Event in (a) above):	[Applicable/Not Applicable]
(xxii)	(a) Merger Event and Tender Offer (General Note Condition 4(j)(v)(A)):	[Applicable [<i>specify consequence</i>]/Not Applicable/ <i>specify other</i>]
	(b) Share Substitution in relation to Extraordinary Event in (a) above):	[Applicable/Not Applicable]
(xxiii)	Valuation Date:	[●]
(xxiv)	Valuation Time:	[<i>Specify if different from General Note Conditions</i>]
(xxv)	Initial Valuation Date:	[●]
(xxvi)	Interest Valuation Date:	[●]
(xxvii)	Baseline Date:	[[●]/Not Applicable]
(xxviii)	Correction Cut-off Date:	[In respect of <i>specify each date for which there is a Correction Cut-off Date</i>][●]/[Not Applicable]
(xxix)	Disrupted Day/Market Disruption Events:	[In respect of [the/each] Share, General Note Condition 4(h) and General Note Condition 4(j) shall apply [, save as follows:]] [<i>If the relevant interest valuation/valuation /averaging date must fall on the scheduled valuation/averaging date, then specify as follows:</i>] [In respect of [the/each] Share and [Initial] [Interest Valuation/Valuation/Averaging] Date[s]]: No Adjustment]
(xxx)	Initial Averaging Dates or Averaging Dates (General Note Condition 4 (j)(iii)):	[Applicable/Not Applicable/ <i>specify other</i>]
	(a) Omission:	[Applicable/Not Applicable]

- (b) Postponement: [Applicable/Not Applicable]
- (c) Modified Postponement: [Applicable/Not Applicable]
- (xxxi) Maximum Disruption Extension Period (if other than eight Scheduled Trading Days in respect of any relevant date): [Not Applicable/(give details)]
- (xxxii) ADR Provisions: [Applicable/Not Applicable] *(If not applicable, delete the sub-paragraphs of this paragraph)*
 - (a) ADRs: [Specify name and ISIN of ADRs]
 - (b) Underlying Shares: [Specify the shares underlying the ADRs]
 - (c) Underlying Share Issuer: [Specify name of underlying share issuer]
- (xxxiii) Other terms or special conditions: [●]
- 23. **Dual Currency Note Provisions:** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
 - (i) Rate of Exchange/Method of calculating Rate of Exchange: [Give details]
 - (ii) Party responsible for calculating the principal and/or interest due (if not the Calculation Agent): [●]
 - (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●]
 - (iv) Person at whose option Specified Currency(ies) is/are payable: [●]
 - (v) Day Count Fraction (General Note Condition 3(j)): [●]

PROVISIONS RELATING TO REDEMPTION

- 24. **Call Option** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
 - (i) Optional Redemption Date(s): [●]
 - (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [●] per Note of [●] Specified Denomination
 - (iii) If redeemable in part: [●]
 - (a) Minimum nominal amount to be redeemed: [●]

- (b) Maximum nominal amount to be redeemed: [●]
- (iv) Description of any other Issuer's option: [●]
- (v) Notice period (if other than as set out in the General Note Conditions): [●]
25. **Put Option** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [●] per Note of [●] Specified Denomination
- (iii) Description of any other Holders' option: [●]
- (iv) Notice period (if other than as set out in the General Note Conditions): [●]
26. **Knock-in Event:** [●]/[Not Applicable]
27. **Knock-out Event:** [●]/[Not Applicable]
28. **Final Redemption Amount:** [Nominal amount/Specify other/Not Applicable]. *(Where Notes are Index Linked Redemption Notes or Equity Linked Redemption Notes specify "Not Applicable" and complete Items 31 or 32 below)*
29. **Early Redemption Amount:**
- (i) Early Redemption Amount(s) payable on redemption for taxation reasons (General Note Condition 4(c)) or an event of default (General Note Condition 8) and/or the method of calculating the same (if required or if different from that set out in the General Note Conditions) (or in the case of Equity Linked Notes following certain corporate events in accordance with General Note Condition(4)(j)(v)(A) and (B) and/or the method of calculating the same (if required or if different from that set out in General Note Condition 4(b)): [●]

- (ii) (If Interest Payment Dates are specified in these Final Terms) redemption for taxation reasons permitted only on Interest Payment Dates (General Note Condition 4(c)); [Yes/No/Not Applicable]
30. **Additional Termination Events:**
[Applicable only to Index Linked Notes and Equity Linked Notes]
- (i) Change in Law: [Not Applicable unless otherwise stated]
[specify consequence]
- (ii) Failure to Deliver: [Not Applicable unless otherwise stated]
[specify consequence]
- (iii) Insolvency Filing: [Not Applicable unless otherwise stated]
[specify consequence]
- (iv) Hedging Disruption: [Not Applicable unless otherwise stated]
[specify consequence]
- (v) Increased Cost of Hedging: [Not Applicable unless otherwise stated]
[specify consequence]
- (vi) Loss of Stock Borrow: [Not Applicable unless otherwise stated]
[specify consequence]
- (vii) Increased Cost of Stock Borrow: [Not Applicable unless otherwise stated]
[specify consequence]
31. **Index Linked Redemption Notes/Commodity Linked Redemption Notes/Foreign Exchange Linked Redemption Notes/Fund Linked Redemption Notes/Inflation Linked Redemption Notes/Other Variable Linked Redemption Notes:** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(if applicable, specify:)
- [Index Linked Redemption Notes/Commodity Linked Redemption Notes/Foreign Exchange Linked Redemption Notes/Fund Linked Redemption Notes/Inflation Linked Redemption Notes/Other Variable Linked Redemption Notes] *(delete non-applicable terms)*
- (Include the following if other than Index Linked Redemption (or if need to include Index Linked Redemption in Part C of these Final Terms below) and delete the remaining sub-paragraphs of this paragraph:)*
- [See the relevant terms set forth in Part C of these Final Terms below.]
- (i) Index: [●]

(ii)	Type of Index for the purposes of General Note Condition 14:	[Composite Exchange Index/Proprietary Index/Commodity Index/Unitary Index/Exchange Index ⁷ Not Applicable]
(iii)	Index Sponsor:	[●] ⁸
(iv)	Exchange:	[●] ⁹
(v)	Related Exchange	[●] ¹⁰
(vi)	Index Level:	[Applicable/Not Applicable]
(vii)	Closing Index Level:	[Applicable/Not Applicable]
(viii)	Redemption Amount:	<i>[Express per Specified Denomination/Not Applicable]</i>
(ix)	Index Performance:	[Applicable/Not Applicable/[●] <i>[Specify if different from General Note Conditions]</i>]
(x)	Index Ranking:	[Applicable/Not Applicable/[●] <i>[Specify if different from General Note Conditions]</i>]
(xi)	Knock-in Event:	[●]/[Not Applicable]
(xii)	Knock-out Event:	[●]/[Not Applicable]
(xiii)	Valuation Date:	[●]
(xiv)	Valuation Time:	<i>[Specify if different from General Note Conditions]</i>
(xv)	Initial Valuation Date:	[●]
(xvi)	Interest Valuation Date:	[●]
(xvii)	Initial Averaging Dates or Averaging Dates (General Note Condition 4(i)(iv)):	[Applicable/Not Applicable/specify other]
	(a) Omission:	[Applicable/Not Applicable]
	(b) Postponement:	[Applicable/Not Applicable]
	(c) Modified Postponement:	[Applicable/Not Applicable]
(xviii)	Baseline Date:	[[●] /Not Applicable]

⁷ Specify for each Index in the Index Basket, if applicable.

⁸ Specify for each Index in the Index Basket, if applicable.

⁹ Specify for each Index in the Index Basket, if applicable.

¹⁰ Specify for each Index in the Index Basket, if applicable.

(xix)	Disrupted Day/Market Disruption Events:	[In respect of [the/each] Index, General Note Condition 4(h) and General Note Condition 4(i) shall apply, as amended pursuant to General Note Condition 14, for [the/each] Index[, save as follows:] <i>[specify in respect of any Indices for which General Note Condition 14 does not apply what other Disrupted Day/Market Disruption Event terms shall apply]</i> <i>[If the relevant interest valuation/valuation/averaging date must fall on the scheduled valuation/averaging date, then specify as follows:]</i> [In respect of [the/each] Index and [Initial] [Interest Valuation/Valuation/Averaging] Date[s]]: No Adjustment]
(xx)	Correction Cut-off Date:	[In respect of <i>[specify each date for which there is a Correction Cut-off Date]</i> [●]/[Not Applicable]
(xxi)	Maximum Disruption Extension Period (if other than eight Scheduled Trading Days in respect of any relevant date):	[Not Applicable/(give details)]
(xxii)	Index Disclaimer:	[Applicable unless otherwise stated]
(xxiii)	Other terms or special conditions:	[●]
32.	Equity Linked Redemption Notes:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i)	Share:	[[Name of Share] (Bloomberg Code: [●], ISIN: [●])]
(ii)	Share Issuer:	[●] ¹¹
(iii)	Share Price:	[Applicable/Not Applicable]
(iv)	Share Price (ISDA):	[Applicable/Not Applicable]
(v)	Closing Share Price:	[Applicable/Not Applicable]
(vi)	Whether redemption of the Notes will be by (a) Cash Settlement or (b) Physical Delivery or (c) Cash Settlement and/or Physical Delivery:	[Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery] <i>(If Cash Settlement and/or Physical Delivery specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply)</i>

¹¹ Specify for each Share in the Share Basket, if applicable.

(vii)	Share Performance:	[Applicable/Not Applicable/[●] <i>[Specify if different from General Note Conditions]</i>]
(viii)	Share Ranking:	[Applicable/Not Applicable/[●] <i>[Specify if different from General Note Conditions]</i>]
(ix)	Knock-in Event:	[●]/[Not Applicable]
(x)	Knock-out Event:	[●]/[Not Applicable]
(xi)	Exchange(s):	[●]/[Not Applicable]
(xii)	Related Exchange(s):	[●]/All Exchanges
(xiii)	Options Exchange:	[●]
(xiv)	Potential Adjustment Events (General Note Condition 4(j)(iv)):	[Applicable/Not Applicable/specify other]
(xv)	(a) Nationalisation, De-listing, Insolvency (General Note Condition 4(j)(v)(B)):	[Applicable [Calculation Agent Adjustment/Modified Calculation Agent Adjustment/Alternative Obligation/Cancellation and Payment/Options Exchange Adjustment/Component Adjustment/Other Adjustment <i>[specify]</i>]/Not Applicable]
	(b) Share Substitution in relation to Extraordinary Event in (a) above:	[Applicable/Not Applicable] <i>(may only be applicable if Modified Calculation Agent Adjustment is applicable)</i>
(xvi)	(a) Merger Event and Tender Offer (General Note Condition 4(j)(v)(A)):	[Applicable [Calculation Agent Adjustment/Modified Calculation Agent Adjustment/Alternative Obligation/Cancellation and Payment/Options Exchange Adjustment/Component Adjustment/Other Adjustment <i>[specify]</i>]/Not Applicable]
	(b) Share Substitution in relation to Extraordinary Event in (a) above:	[Applicable/Not Applicable] <i>(may only be applicable if Modified Calculation Agent Adjustment is applicable)</i>
(xvii)	Redemption Amount:	<i>[Express per Specified Denomination/Not Applicable]</i>
(xviii)	Valuation Date:	[●]
(xix)	Valuation Time:	<i>[Specify if different from General Note Conditions]</i>
(xx)	Initial Valuation Date:	[●]
(xxi)	Baseline Date:	[[●] /Not Applicable]

- (xxii) Disrupted Day/Market Disruption Events: [In respect of [the/each] Share, General Note Condition 4(h) and General Note Condition 4(j) shall apply[, save as follows:]]
- [If the relevant interest valuation/valuation/averaging date must fall on the scheduled valuation/averaging date, then specify as follows:]*
- [In respect of [the/each] Share and [Initial] [Interest Valuation/Valuation/Averaging] Date[s]]: No Adjustment]
- (xxiii) Correction Cut-off Date: [In respect of *[specify each date for which there is a Correction Cut-off Date]* [●]/[Not Applicable]
- (xxiv) Maximum Disruption Extension Period (if other than eight Scheduled Trading Days in respect of any relevant date): [Not Applicable/(give details)]
- (xxv) Initial Averaging Dates or Averaging Dates (General Note Condition 5(j)(iii)): [Applicable/Not Applicable/specify other]
- (a) Omission: [Applicable/Not Applicable]
- (b) Postponement: [Applicable/Not Applicable]
- (c) Modified Postponement: [Applicable/Not Applicable]
- (xxvi) ADR Provisions: [Applicable/Not Applicable] (*If not applicable, delete the sub-paragraphs of this paragraph*)
- (a) ADRs: [*Specify name and ISIN of ADRs*]
- (b) Underlying Shares: [*Specify the shares underlying the ADRs*]
- (c) Underlying Share Issuer: [*Specify name of underlying share issuer*]
- (xxvii) Other terms or special conditions: [●]
33. **Credit Linked Notes:** [Applicable – see Part C/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

34. (i) **Form of Notes:** [bearer dematerialised form (*au porteur*)/registered dematerialised form (*au nominatif*)/fully registered form (*au nominatif pur*)]
- (ii) **Name of Registration Agent** [*only if the Notes are in fully registered form (au nominatif pur) and if the Notes are not inscribed with the Issuer*] [●] / Not applicable]

- (iii) **Representation of holders of Notes¹²/Masse:** [Applicable/Not Applicable/General Note Condition 9 replaced by the full provisions of French Code of Commerce relating to the Masse] *(Note that: (i) in respect of any Tranche of Notes issued outside France, General Note Condition 9 may be waived, amended or supplemented, and (ii) in respect of any Tranche of Notes issued inside France, General Note Condition 9 must be waived in its entirety and replaced by the provisions of French Code of Commerce relating to the Masse. If General Note Condition 9 (as it may be amended or supplemented) applies or if the full provisions of French Code of Commerce apply, insert details of Representative and Alternative Representative and remuneration, if any).*
35. (i) Additional Financial Centre(s) (General Note Condition 5(d)) or other special provisions relating to payment dates: [Not Applicable/Give details. Note that this item relates to the place of payment, and not interest period end dates, to which items 19(i), 20(iii) and 22(iv) relate]
- (ii) Additional Business Centre(s) (General Note Condition 3(j)): [Not Applicable/Give details. Note that this item relates to interest period end dates and the application of Business Day Conventions]
36. **Payment Disruption Event (General Note Condition 5(e)):** [Applicable/Not Applicable/specify other]
(Note: If Physical Delivery is specified as applicable, in the event of a Payment Disruption, Physical Delivery shall cease to apply and the Notes will be cash settled.)
- (i) Relevant Currency: [Not Applicable/give details]
- (ii) Relevant Reference Asset Jurisdiction: [Not Applicable/give details]
- (iii) Payment Event Cut-off Date: [Not Applicable/Applicable/other]
37. **Physical Delivery:** [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this paragraph 38)*
- (i) Reference Asset(s): [●]
- (ii) Reference Asset Amount: [Express per specified denomination]

¹² The provisions of the French *Code de Commerce* relating to the *Masse* of holders of Notes are applicable in full to French domestic issues of Notes. Pursuant to Article L.228-90 of the French *Code de Commerce*, the *Masse* provisions contained in the French *Code de Commerce* are NOT applicable to international issues (*emprunt émis à l'étranger*); accordingly international issues may have no *Masse* provisions at all or the *Masse* provisions contained in the French *Code de Commerce* may be varied along the lines of the provisions of General Note Condition 9.

- (iii) Physical Delivery Cut-Off Date: [●]
 - (iv) Alternative Clearing System: [●]
 - (v) Other terms or special conditions: [●]
38. **Details relating to Partly Paid Notes:** [Not Applicable/*give details*]
amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:
39. **Details relating to Instalment Notes:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Instalment Amount(s): [●]
 - (b) Instalment Date(s): [●]
 - (c) Minimum Instalment Amount: [●]
 - (d) Maximum Instalment Amount: [●]
40. **Consolidation provisions:** [Not Applicable/The provisions annexed to these Final Terms apply]
41. **Other final terms or special conditions:** [Not Applicable/Applicable - see Part C]
(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

DISTRIBUTION

42. (i) If syndicated, [names of Managers][names and addresses of Managers and underwriting commitments]: [Not Applicable/give names[, addresses and underwriting commitments]]
- [(Include (a) names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names, addresses and commitments of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers and (b) process for notification of applicants of the amount allotted and indication whether dealing may begin before notification is made. Where not all of the issue is underwritten, include statement of the portion not covered.) Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment]
- (ii) [Date of Subscription Agreement: [●]]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
43. **If non-syndicated, name [and address] of Dealer:** J.P. Morgan Securities Ltd. [of 125 London Wall, London EC2Y 5AJ]
44. **[Total commission and concession:]** [[●] per cent. of the Aggregate Nominal Amount]
45. **U.S. selling restrictions:** Section 3(a)(2) and Regulation S under the Securities Act - No offers or sales at any time within the United States or to or for the account or benefit of any U.S. Person; no legal or beneficial ownership by a U.S. Person at any time. "U.S. Person" has the meaning ascribed to it in the U.S. Securities Act of 1933, as amended (the "Securities Act") or the U.S. Internal Revenue Code of 1986, as amended.
46. **Non-exempt Offer:** [Not Applicable] [An offer of the Notes may be made by the Managers [and [specify, if applicable]] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) – which must be jurisdictions where the Base Prospectus and any supplements have been passported] ("Public Offer Jurisdictions") during the period from [specify date] until [specify date] ("Offer Period"). See further the paragraph entitled "Terms and Conditions of the Offer" Part B below.

47. **Additional Selling restrictions:**

[Specify if different from those set out in the Base Prospectus under "Subscription and Sale"]

GENERAL

48. The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of [●] 1=U.S.\$ [●], producing a sum of (for Notes not denominated in U.S. dollars):

[Not Applicable/U.S.\$ [●]]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for [and] admission to trading on *[specify exchange]* of the Notes described herein pursuant to the French law Programme for the issuance of Notes, Warrants and Certificates of J.P. Morgan Structured Products B.V.

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms. *[Information on underlying]* has been extracted from *[specify information source(s)]*. 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 by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By: _____

Duly authorised

Signed on behalf of the Guarantor:

By: _____

Duly authorised

LISTING AND ADMISSION TO TRADING

(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)

[The Notes to be issued have been rated:

[Moody's: []]

[[Other]: []]/ [The Notes will not be rated]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in the section of the Base Prospectus entitled "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

[(i) Reasons for the offer:

(See "Use of Proceeds" - if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

[(ii) Estimated net proceeds:

[Not Applicable/[●]]

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii) Estimated total expenses:

[Not Applicable/[●] *[Include breakdown of expenses]*

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

[Fixed Rate Notes only – YIELD]

Indication of yield:

[●]

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

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

[Floating Rate Notes only - HISTORIC INTEREST RATES]

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

[Index-Linked or other variable-linked Notes only - PERFORMANCE OF INDEX/FORMULA/ OTHER VARIABLE[, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS] AND OTHER INFORMATION CONCERNING THE UNDERLYING

[Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained [and a clear comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident]. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the Index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation]]

[Dual Currency Notes only - PERFORMANCE OF RATE[S] OF EXCHANGE [AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT]

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained [and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident].]

POST-ISSUANCE INFORMATION

[The Issuer will not provide any post-issuance information with respect to the Reference Asset[s], unless required to do so by applicable law or regulation.]

OPERATIONAL INFORMATION

ISIN Code:

[●]

Common Code:

[●]

Any Clearing System(s) other than Euroclear France, Euroclear and Clearstream, Luxembourg and the relevant identification number(s):

[Not Applicable/*give name(s) and number(s)*]

Delivery:

Delivery [against/free of] payment

The Agents appointed in respect of the Notes are:

[As set out in the Agency Agreement]/(*Give details if different*)

[TERMS AND CONDITIONS OF THE OFFER¹³

Offer Period:	The Notes will be offered to the public in [Specify] during a subscription from (and including) [●] to and including [●]
Offer Price:	[Issue Price/Specify]
Conditions to which the offer is subject:	[Not Applicable/give details] [The offer is also subject to the issuance of the Notes by the Issuer.]
Description of the application process:	[Not Applicable/give details]
Description of possibility to reduce subscription and manner for refunding excess amount paid by applicant:	<p>[Not Applicable/give details/Potential investors may reduce their subscription during the subscription period and in accordance with applicable laws and regulations.</p> <p>Subject to any applicable laws and regulations, any excess amounts paid by any applicant will be credited back to such applicant's account from which the excess amounts were debited.]</p>
Details of the minimum and/or maximum amount of application:	[Not Applicable/give details]
Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable/give details]
Manner and date in which results of the offer are to be made public:	The results of the offering will be available on the website of Euronext Amsterdam by NYSE Euronext ([]) [and [●]] [Include if Notes are listed on more than one exchange and if applicable] on or prior to the Issue Date.
Procedure for exercising right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/give details]
Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:	[The Notes will be offered to potential investors in [●]. In EEA jurisdictions other than the Public Offer Jurisdiction[s], offers may only be made pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	<p>[Not Applicable/give details]</p> <p>[Each purchaser will receive a notification of the amount to be debited from their designated account and the number of Notes to be delivered.</p> <p>Dealings in the Notes by purchasers may only take place after the Issue Date.]</p>
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable/give details]

¹³ Only applicable to public offers.

Name(s) and address(es), to the extent known [None/give details]]
to the Issuer, of the placers in the various
countries where the offer takes place:

PART C – OTHER APPLICABLE TERMS

Drafting Guideline 1: *Include description of the pay-out mechanism including the Redemption Amount and the interest mechanics if applicable*

Drafting Guideline 2: *Include relevant definitions*

Drafting Guideline 3 *For Credit Linked Instruments, include description of the Credit Linkage Provisions*

ANNEX

This Annex shall be included after publication of any Supplement to the Base Prospectus dated [•].

The Base Prospectus dated 23 April 2009 has been supplemented by the following Supplement(s):

Supplement	Description	Date
Supplement No. [•]	in respect of [insert short description of content]	[•]

FORM OF FINAL TERMS FOR SECURITIES

The form of Final Terms that will be issued in respect of each Tranche of Securities, subject to the deletion of non-applicable provisions, addition of any applicable provisions and disclosure and/or amendments to the General Security Conditions, is set out below:

Final Terms dated [●].

J.P. Morgan Structured Products B.V.
(incorporated with limited liability in The Netherlands)
as Issuer

JPMorgan Chase Bank, N.A.
(a national banking association organised pursuant to the laws of the United States of America)
as Guarantor

French law Programme for the issuance of Notes, Warrants and Certificates

Issue of [number of Warrants/Certificates (or, insert aggregate Specified Notional Amount, if booked in Notional)] [Call/Put] [Warrants/Certificates] on [Name of Reference Asset]

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the conditions (the "**General Security Conditions**") set forth in the Base Prospectus dated 23 April 2009 (as defined below) to the agency agreement dated 23 April 2009 as may be further supplemented or amended and restated up to and including the Issue Date (the "**Agency Agreement**"). This document constitutes the Final Terms of the Securities described herein relating to the French law Programme for the issuance of Notes, Warrants and Certificates (the "**Programme**") of J.P. Morgan Structured Products B.V. (the "**Issuer**") for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC (the "**Prospectus Directive**")) and must be read in conjunction with the base prospectus for the purposes of the Prospectus Directive dated 23 April 2009, including the information incorporated by reference therein, and the Supplement thereto listed in the Annex hereto (the "**Base Prospectus**"). The rights attaching to the [Warrants/Certificates] specified above (the ["**Warrants**"/"**Certificates**"]) are as set out in the "Final Terms of the [Warrants/Certificates]" below and the General Security Conditions. [Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and the Supplement to the Base Prospectus are available in electronic form on JPMorgan's website (www.jpmmorgansp.com). [Copies of these Final Terms will be available from the specified office of the [French Paying Agent/Dutch Paying Agent] [Dutch Listing Agent/Luxembourg Listing Agent] [insert relevant address] ([●]) (Include only for listed Securities)]

[Investors should note that the Warrants create options exercisable by the relevant Holder. There is no obligation upon any Holder to exercise his Warrant nor, in the absence of such exercise or of deemed exercise, any obligation upon the Issuer to pay or cause to be paid any amount, or deliver or cause to be delivered any Reference Asset to any Holder of a Warrant.]

[Include following if a non-exempt public offer, and the offer period extends past the anniversary date of the Base Prospectus]

[Notwithstanding the above, in the event that the offer period (if any) specified in these Final Terms extends beyond the date which is one year from 23 April 2009 then, upon publication on or prior to such date of a prospectus under the Programme which supersedes and replaces the Base Prospectus (the "**Updated Base Prospectus**"), the Final Terms should be read in conjunction with the Updated Base Prospectus in place of the original Base Prospectus for the purposes of Article 5.4 of the Prospectus Directive (save that the General Security Conditions, together with any applicable Annexes and Schedules, set forth in the original Base Prospectus (and which shall be attached to these Final Terms) shall continue to apply to the Securities, and the General Security Conditions, together with any applicable Annexes and Schedules, set forth in the Updated Base Prospectus shall not apply to the Securities).]

The Issue Price in respect of any Securities of a relevant Series specified in these Final Terms may be more than the market value of such Securities as at the Issue Date, and the price, if any, at which the Dealer or any other person is willing to purchase such Securities in secondary market transactions is likely to be lower than the Issue Price in respect of such Securities. In particular, the Issue Price in respect of any Securities of a relevant Series may take into account amounts with respect to commissions relating to the issue and sale of such Securities as well as amounts relating to the hedging of the Issuer's obligations under such Securities, and secondary market prices are likely to exclude such amounts. In addition, pricing models of relevant market participants may differ or produce a different result.

[If any commissions or fees relating to the issue and sale of these [Warrants/Certificates] have been paid or are payable by the Dealer to an intermediary, then such intermediary may be obliged to fully disclose to its clients the existence, nature and amount of any such commissions or fees (including, if applicable, by way of discount) as required in accordance with laws and regulations applicable to such intermediary, including any legislation, regulation and/or rule implementing the Markets in Financial Instruments Directive (2004/39/EC) ("MiFID"), or as otherwise may apply in any non-EEA jurisdictions. Potential investors in these [Warrants/Certificates] intending to purchase [Warrants/Certificates] through an intermediary (including by way of introducing broker) should request details of any such commission or fee payment from such intermediary before making any purchase hereof.]

The [Warrants/Certificates] have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**"), or any state securities laws. The [Warrants/Certificates] may not be offered, sold, pledged, assigned, delivered or otherwise transferred or exercised or redeemed within the United States or to or for the account or benefit of any U.S. Person. The [Warrants/Certificates] are being offered and sold pursuant to the registration exemptions contained in Section 3(a)(2) of the Securities Act and outside the United States to investors that are non-U.S. Persons in reliance on Regulation S under the Securities Act ("**Regulation S**"). Trading in the [Warrants/Certificates] has not been approved by the U.S. Securities and Exchange Commission, any state securities commission in the United States, the U.S. Commodity Futures Trading Commission under the U.S. Commodity Exchange Act, as amended, or any U.S. federal or state banking authority.]

[Warrants/Certificates] can be volatile instruments. Purchasers of [Warrants/Certificates] implicitly make certain representations and warranties. Accordingly, prospective purchasers of the [Warrants/Certificates] should ensure that they understand fully the nature of the instruments and must be prepared fully to sustain a total loss of their investment in the [Warrants/Certificates] [(see the section entitled "Risk Factors" in the Base Prospectus)].

The due and punctual settlement of all obligations of the Issuer under the [Warrants/Certificates] issued under the Agency Agreement is irrevocably and unconditionally guaranteed (the "**Guarantee**") by JPMorgan Chase Bank, N.A. (the "**Guarantor**"). The Guarantee (i) is an unsecured and unsubordinated general obligation of the Guarantor; (ii) is not a savings account or deposit of the Guarantor or any bank or non-bank subsidiary of the Guarantor; and (iii) is not insured by the U.S. Federal Deposit Insurance Corporation (the "**FDIC**"), the U.S. Deposit Insurance Fund or any other governmental agency or instrumentality. The Guarantee is not an obligation of the Guarantor's parent company, JPMorgan Chase, or any of the Guarantor's other affiliates. The Guarantee will rank *pari passu* with all other unsecured and unsubordinated indebtedness of the Guarantor except obligations, including U.S. domestic deposits, that are subject to any priorities or preferences by law.

[J.P. Morgan Securities Ltd.]

[Name of Co-lead Manager, if any]

JPMorgan Chase Bank, N.A.

These Final Terms do not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Dealer(s) or the Arranger to subscribe for or purchase, any of the [Warrants/Certificates] and may not be used for or in connection with an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of these Final Terms and the offering of the [Warrants/Certificates] in certain jurisdictions may be restricted by law. Persons into whose possession these Final Terms come are required by the Issuer, the Guarantor, the Dealer(s) and the Arranger to

inform themselves about and to observe any such restrictions. [For a description of certain further restrictions on offers and sales of [Warrants/Certificates] and the distribution of these Final Terms, see the section entitled "Subscription and Sale" in the Base Prospectus.]

No person is authorised to give any information or to make any representation except as contained in these Final Terms and such information or representation must not be relied upon as having been authorised by or on behalf of the Issuer, the Guarantor, the Dealer(s) or the Arranger. The delivery of these Final Terms at any time does not imply that the information in it is correct as at any time subsequent to its date.

Each prospective purchaser of [Warrants/Certificates] must ensure that the complexity and risks inherent in the [Warrants/Certificates] are suitable for such purchaser's objectives and, if applicable, the size, nature and condition of such purchaser's business.

These Final Terms cannot disclose all of the risks and other significant aspects of the [Warrants/Certificates]. No person should deal in the [Warrants/Certificates] unless that person understands the nature of the relevant transaction and the extent of that person's exposure to potential loss. Each prospective purchaser of [Warrants/Certificates] should consider carefully whether the [Warrants/Certificates] are suitable for such purchaser in the light of such purchaser's circumstances and financial position.

Prospective investors should consider carefully all the information set forth in these Final Terms along with all the information set forth in the Base Prospectus. Prospective investors should pay particular attention to the section entitled "Risk Factors" in the Base Prospectus (pages 223 to 47 inclusive).

Prospective purchasers of [Warrants/Certificates] should consult their own legal, tax, accountancy and other professional advisers to assist them in determining the suitability of the [Warrants/Certificates] for them as an investment.

[Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs, unless otherwise specified. Italics denote guidance for completing the Final Terms.]

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

PART A – CONTRACTUAL TERMS

Except as set out below, the [Warrants/Certificates] will be subject to the General Security Conditions set out in the Base Prospectus and also to the following terms:

1.
 - (i) Issuer: J.P. Morgan Structured Products B.V.
 - (ii) Guarantor: JPMorgan Chase Bank, N.A.
 - (iii) Governing law of the [Warrants/ Certificates]: French law
2.
 - (i) Title, Number, aaCall/Put [Warrants/ Certificates]: *[number of Warrants/Certificates]* [Call/Put] [Warrants/Certificates] on *[name of Reference Asset(s)]*.
 - (ii) Aggregate Specified Notional Amount: *[Not Applicable/ specify aggregate amount]*
 - (iii) Specified Notional Amount per Security: *[Not Applicable/ specify specified notional amount]*

[Details for (ii) and (iii) to be included if Securities are to be traded by reference to a Notional Amount (see also

paragraph 7]

3. (i) Series Number: Not Applicable
- (ii) Tranche Number: [●]
4. Currency in which Securities are denominated: [●]
5. Trade Date: [●]
6. Issue Date: [●]
7. Issue Price: [●] per [Certificate/Warrant] [*specify percentage of Specified Notional Amount if booked in notional*]

The Issue Price specified above may be more than the market value of the Securities as at the Issue Date, and the price, if any, at which [the Dealer] or any other person is willing to purchase the Securities in secondary market transactions is likely to be lower than the Issue Price. In particular, the Issue Price may take into account amounts with respect to commissions relating to the issue and sale of the Securities as well as amounts relating to the hedging of the Issuer's obligations under the Securities, and secondary market prices are likely to exclude such amounts. In addition, pricing models of relevant market participants may differ or produce a different result.

[If any commissions or fees relating to the issue and sale of these [Warrants/Certificates] have been paid or are payable by the Dealer to an intermediary, then such intermediary may be obliged to fully disclose to its clients the existence, nature and amount of any such commissions or fees (including, if applicable, by way of discount) as required in accordance with laws and regulations applicable to such intermediary, including any legislation, regulation and/or rule implementing MiFID, or as otherwise may apply in any non-EEA jurisdictions. Potential investors in these [Warrants/Certificates] intending to purchase [Warrants/Certificates] through an intermediary (including by way of introducing broker) should request details of any such commission or fee payment from such intermediary before making any purchase hereof.]

8. Minimum Transferable Amount: [●]
9. Are the Securities in the form of Warrants? [Yes/No]

(If the answer is "No", delete the sub-paragraphs of this paragraph)

 - (i) European, American or Bermudan Style: [European/American/Bermudan]
 - (ii) Automatic Exercise: [●]
 - (iii) Expiration Date: [[●] / Not Applicable]

- (iv) Expiration Date subject to Valuation Date adjustment: [Applicable / Not Applicable]
- (v) Potential Exercise Date(s): [[●] / Not Applicable]
- (vi) Potential Exercise Date subject to Valuation Date adjustment: [Applicable / Not Applicable]
- (vii) Exercise Date(s)/Period: [●]
- (viii) Minimum Exercise Number: [●]
- (ix) Maximum Exercise Number: [●]
- (x) Settlement Amount: [[●]/See Part [C]/Not Applicable]
- (xi) Exercise Amount: [●]
10. Are the Securities in the form of Certificates? [Yes/No]
(If the answer is "No", delete the sub-paragraphs of this paragraph)
- (i) Redemption Date: [●]
- (ii) Certificate Exercise Rights: [None / specify]
- (iii) Redemption Amount: [[●]/See Part [C]/Not Applicable]
11. Number of Securities per Reference Asset: [●]
12. Contingent Coupon Certificate Provisions: [Applicable/Not Applicable].
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Notional Amount: [●]
- (ii) Specified Period(s)/ Specified Contingent Coupon Payment Dates: [●]
- (iii) Contingent Coupon Rate/Contingent Coupon Amount: [●]
- (iv) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)] [unadjusted]
- (v) Day Count Fraction (General Security Condition 9(i)): [●]
13. Reference Asset: [●]
14. Index: [[●] / Not Applicable]
(If not applicable, delete the sub-paragraphs of this

paragraph)

- (i) Type of Index for purposes of General Security Condition 37: [Composite Index/Unitary Exchange Index/Proprietary Index/Not Applicable]
 - (ii) Index Sponsor: [●]
 - (iii) Exchange: [●]
 - (iv) Related Exchange: [●]
 - (v) Index Level: [Applicable/Not Applicable]
 - (vi) Closing Index Level: [Applicable/Not Applicable]
 - (vii) Index Performance: [Applicable/Not Applicable/[●]] (*Specify if different from the General Security Conditions*)
 - (viii) Index Ranking: [Applicable/Not Applicable/[●]] (*Specify if different from the General Security Conditions*)
 - (ix) Disrupted Day/Market Disruption Events: [In respect of [the/each] Index, General Security Condition 26 shall apply, as amended pursuant to General Security Condition 37, for [the/each] Index[, save as follows:]

(*Specify in respect of any Indices for which General Security Condition 37 does not apply what other Disrupted Day/Market Disruption Event terms shall apply*)

(*If the relevant valuation/averaging date must fall on the scheduled valuation/averaging date, then specify as follows:*)

[In respect of [the/each] Index and [[Initial] [Valuation/Averaging] Date[s]]: No Adjustment]
 - (x) Correction Cut-off Date: [In respect of (*specify each date for which there is a Correction Cut-off Date*) [●] / [Not Applicable]
 - (xi) Maximum Disruption Extension Period (if other than eight Scheduled Trading Days in respect of any relevant date): [Not Applicable/(*give details*)]
 - (xii) Index Disclaimer: [Applicable unless otherwise stated]
15. Share: [[●]/ Not Applicable]
- (*If not applicable, delete the sub-paragraphs of this paragraph*)
- (i) Share Issuer: [●]
 - (ii) Exchange: [●]
 - (iii) Related Exchange(s): [[●]/[All Exchanges]]

- (iv) Share Price: [Applicable/Not Applicable]
- (v) Share Price (ISDA): [Applicable/Not Applicable]
- (vi) Closing Share Price: [Applicable/Not Applicable]
- (vii) Share Performance: [Applicable/Not Applicable/[●]]. (*Specify if different from the General Security Conditions*)
- (viii) Share Ranking: [Applicable/Not Applicable/[●]]. (*Specify if different from the General Security Conditions*)
- (ix) Disrupted Day/Market Disruption Events: [In respect of [the/each] Share, General Security Condition 26 and General Security Condition 35 shall apply[, save as follows:]]
- [If the relevant valuation/averaging date must fall on the scheduled valuation/averaging date, then specify as follows:]*
- [In respect of [the/each] Share and [[Initial] [Valuation/Averaging] Date[s]]: No Adjustment]
- (x) Correction Cut-off Date: [In respect of (*specify each date for which there is a Correction Cut-off Date*) [●] / [Not Applicable]]
- (xi) Maximum Disruption Extension Period (if other than eight Scheduled Trading Days in respect of any relevant date): [Not Applicable/(*give details*)]
- (xii) Method of Adjustment: [Calculation Agent Adjustment/Options Exchange Adjustment]
- (xiii) Options Exchange: [●]
- (xiv) Consequences of Merger Event: [Applicable / Not Applicable]
- (If not applicable, delete the sub-paragraphs of this paragraph)*
- (a) Share-for-Share: [Calculation Agent Adjustment/Modified Calculation Agent Adjustment/ Alternative Obligation/Cancellation and Payment/Options Exchange Adjustment/Component Adjustment/Other Adjustment [*specify*]]
- (b) Share-for-Other: [Calculation Agent Adjustment/Modified Calculation Agent Adjustment/Alternative Obligation/Cancellation and Payment/Options Exchange Adjustment/Component Adjustment/Other Adjustment [*specify*]]
- (c) Share-for-Combined: [Calculation Agent Adjustment/Modified Calculation Agent Adjustment/Alternative Obligation/Cancellation and Payment/Options Exchange Adjustment/Component Adjustment/Other Adjustment [*specify*]]
- (xv) Consequences of Tender Offer: [Applicable / Not Applicable]
- (If not applicable, delete the sub-paragraphs of this paragraph)*

- (a) Share-for-Share: [Calculation Agent Adjustment/Modified Calculation Agent Adjustment/Alternative Obligation/Cancellation and Payment/Options Exchange Adjustment/Component Adjustment/Other Adjustment *[specify]*]
 - (b) Share-for-Other: [Calculation Agent Adjustment/Modified Calculation Agent Adjustment/Alternative Obligation/Cancellation and Payment/Options Exchange Adjustment/Component Adjustment/Other Adjustment *[specify]*]
 - (c) Share-for-Combined: [Calculation Agent Adjustment/Modified Calculation Agent Adjustment/Alternative Obligation/Cancellation and Payment/Options Exchange Adjustment/Component Adjustment/Other Adjustment *[specify]*]
- (xvi) Share Substitution:
 - (a) Merger Event: [Applicable/Not Applicable] *(may only be applicable if Modified Calculation Adjustment or Calculation Agent Adjustment applicable)*
 - (b) Tender Offer: [Applicable/Not Applicable]
 - (c) Nationalisation, Insolvency and Delisting: [Applicable/Not Applicable]
- (xvii) ADR Provisions: [Applicable/Not Applicable] *(If not applicable, delete the sub-paragraphs of this paragraph)*
 - (a) ADRs: [Specify name and ISIN of ADRs]
 - (b) Underlying Shares: [Specify the shares underlying the ADRs]
 - (c) Underlying Share Issuer: [Specify name of underlying share issuer]
- 16. Additional Termination Events: [[●] – see General Security Condition 14(b)]
- 17. Valuation Date: [●]
- 18. Valuation Time: [Specify if different from General Security Conditions]
- 19. Initial Valuation Date: [●]
- 20. Baseline Date: [[●] / Not Applicable]
- 21. Initial Averaging Dates or Averaging Dates (General Security Condition 26(B)): [Applicable/Not Applicable] *(If not applicable, delete the sub-paragraphs of this paragraph)*
 - (a) Omission: [Applicable/Not Applicable]
 - (b) Postponement: [Applicable/Not Applicable]
 - (c) Modified Postponement: [Applicable/Not Applicable]

22. Knock-in Event: [●]/[Not Applicable]
23. Knock-out Event: [●]/[Not Applicable]
24. Additional adjustments relating to Reference Assets listed, quoted or compiled on a stock exchange: [[●] – see General Security Condition 21]
25. Additional adjustments relating to Fund Securities: [[●] – see General Security Condition 33]
26. Adjustments for other Reference Assets: [[●] – see General Security Condition 34]
27. Reference Currency: [●]
28. Relevant Reference Asset Jurisdiction: [●]
29. Settlement: [Cash/Issuer Physical/Holder Option/Holder Option] Physical/Issuer
30. Specified Currency: [●]
31. Settlement Date: [*Specify if different from the General Security Conditions*]
32. Disruption Events:
- (i) Change in Law: Not Applicable [*specify consequence if Applicable*]
 - (ii) Relevant date: [●]
 - (iii) Failure to Deliver: Not Applicable [*specify consequence if Applicable*]
 - (iv) Insolvency Filing: Not Applicable [*specify consequence if Applicable*]
 - (v) Hedging Disruption: Not Applicable [*specify consequence if Applicable*]
 - (vi) Increased Cost of Hedging: Not Applicable [*specify consequence if Applicable*]
 - (vii) Relevant date: [●]
 - (viii) Loss of Stock Borrow: Not Applicable [*specify consequence if Applicable*]
 - (ix) Maximum Stock Loan Rate: [●]
 - (x) Increased Cost of Stock Borrow: Not Applicable [*specify consequence if Applicable*]
 - (xi) Initial Stock Loan Rate: [●]
 - (xii) Payment Disruption Event: [Applicable / Not Applicable]
33. Calculation Agent: [J.P. Morgan Securities Ltd., 125 London Wall, London EC2Y 5AJ/other agent]
34. Principal Agent: [●/ other]
35. Paying Agents: BNP Paribas Securities Services, as French Paying Agent, and BNP Paribas Securities Services C/o BNP Paribas, Amsterdam branch, as Dutch Paying Agent

36. Lead Manager: *[name] [name and address and underwriting commitment]*
37. Co-lead Manager: *[name] [name and address] (Where not all of the issue is underwritten, a statement of the portion not covered.)/[Not Applicable]*
38. Managers: *[names] [(Include (a) names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names, addresses and commitments of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers and (b) process for notification of applicants of the amount allotted and indication whether dealing may begin before notification is made. Where not all of the issue is underwritten, include statement of the portion not covered.) Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment] [Not Applicable]*
39. Date of Subscription Agreement: *[●]/[Not Applicable]*
40. If non-syndicated, name [and address] of Dealer: *[J.P. Morgan Securities Ltd. [of 125 London Wall, London EC2Y 5AJ]]*
41. Date of Board approval for issuance of Securities obtained : *[] December 2008*
42. Commission/Concession: *[●]*
43. Relevant Clearing System: *[Euroclear France, Euroclear/Clearstream, Luxembourg/specify Alternative Clearing System]*
44. Alternative Clearing System: *[Specify]/[None]*
45. Additional principal financial centres: *[Not Applicable/other]*
46. Purchase and Sale and Transfer Restrictions: *Regulation S – No offers or sales at any time within the United States or to or for the account or benefit of, any U.S. Person; no legal or beneficial ownership by a U.S. Person at any time, "U.S. Person" is used herein as defined in Regulation S under the U.S. Securities Act of 1933, as amended, or in the United States Internal Revenue Code of 1986, as amended*

GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

47. Form of Securities: *Bearer dematerialised form (au porteur)*
48. Non-exempt Offer: *[Not Applicable] [An offer of the Securities may be made by the [Managers/Dealers] [and [specify, if applicable]] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) which must be jurisdictions where the Base Prospectus and any supplements have been passported] (the "Public Offer Jurisdictions") during the period from [specify date] until [specify date] (the "Offer*

Period").

49. Other terms or special conditions: [Applicable – see Part C]/[Not Applicable]

50. Credit Linkage Provisions: [Applicable – see Part C]/[Not Applicable]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the countries specified in paragraph 48] [and] admission to trading on [*specify exchange*] of the Securities described herein pursuant to the French law Programme for the issuance of Notes, Warrants and Certificates of J.P. Morgan Structured Products B.V..

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms. [*Information on underlying*] has been extracted from [*specify information source*]. The Issuer and the Guarantor confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By: _____

Duly authorised

Signed on behalf of the Guarantor:

By: _____

Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

[Application [will be/has been] made for the Securities to be listed and admitted to trading on the Regulated Market of [Euronext Amsterdam by NYSE Euronext/ the Luxembourg Stock Exchange/Euronext Paris/other (*specify*)] with effect from, at the earliest, the Issue Date. No assurances can be given that such application for admission to trading will be granted (or, if granted, will be granted by the Issue Date)/Not Applicable].

(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)

2. RATINGS

Ratings:

[The Securities to be issued have been rated:

[S&P: []]

[Moody's: []]

[[Other]: []]/ [The Securities will not be rated]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Securities of the type being issued under the programme generally or, where the issue has been specifically rated, that rating.)

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

["Save as discussed in the section of the Base Prospectus entitled "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the offer."]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer: [Not Applicable]

(See "Use of Proceeds" – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

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

(If Proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii) Estimated total expenses: [Not Applicable] [Include breakdown of

expenses if applicable.]

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

5. **[Index-Linked or other variable-linked Interest Securities only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING]**

[Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained [and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident]. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index, need to include equivalent information. Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

6. **POST-ISSUANCE INFORMATION**

[The Issuer will not provide any post-issuance information in connection with the Reference Asset[s] unless required to do so by applicable law or regulations.]

7. **OPERATIONAL INFORMATION**

ISIN Code: [●]

Common Code: [●]

Any clearing system(s) other than Euroclear France, Euroclear Bank, SA./N.V. and Clearstream Banking, société anonyme, and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [●]

8. **[TERMS AND CONDITIONS OF THE OFFER¹⁴**

Offer Period: [●] to [●]

Offer Price: [Issue Price/specify]

Conditions to which the offer is subject: [Not Applicable/give details] [The offer is also subject to the issuance of the Securities by the Issuer.]

Description of the application process: [Not Applicable/give details]

¹⁴ Only applicable to public offers.

Description of possibility to reduce subscription and manner for refunding excess amount paid by applicant:	[Not Applicable/ <i>give details</i>]
Details of the minimum and/or maximum amount of application:	[Not Applicable/ <i>give details</i>]
Details of the method and time limits for paying up and delivering the Securities:	[Not Applicable/ <i>give details</i>]
Manner and date in which results of the offer are to be made public:	[Not Applicable/ <i>give details</i>]
Procedure for exercising right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/ <i>give details</i>]
Categories of potential investors to which the Securities are offered and whether tranche(s) have been reserved for certain countries:	[Not Applicable/ <i>give details</i>] [The Securities will be offered to potential investors in [●]. In EEA jurisdictions other than the Public Offer Jurisdiction[s], offers may only be made pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable/ <i>give details</i>]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable/ <i>give details</i>]
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[None/ <i>give details</i>]

PART C – OTHER APPLICABLE TERMS

Drafting Guideline 1: *Include description of the pay-out mechanism including the Redemption Amount and the interest mechanics if applicable*

Drafting Guideline 2: *Include relevant definitions*

Drafting Guideline 3 *For Credit Linked Instruments, include description of the Credit Linkage Provisions*

ANNEX

This Annex shall be included after publication of any Supplement to the Base Prospectus dated [•].

The Base Prospectus dated 23 April 2009 has been supplemented by the following Supplement(s):

Supplement	Description	Date
Supplement No. [•]	in respect of [<i>insert short description of content</i>]	[•]

INFORMATION RELATING TO J.P. MORGAN STRUCTURED PRODUCTS B.V.

History and Development of JPMSP and Organisational Structure

JPMSP was incorporated as a limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands in Amsterdam, The Netherlands on 6 November 2006 to exist for an unlimited duration. JPMSP was registered at the Chamber of Commerce of Amsterdam under registered number 34259454 and has its registered offices at Strawinskylaan 3105, Atrium 7th Floor, 1077 ZX Amsterdam, The Netherlands (telephone number +31 20 406 4444).

JPMSP is a wholly-owned subsidiary of J.P. Morgan International Finance Limited, which is in turn an indirect, wholly-owned subsidiary of JPMorgan Chase Bank, N.A. JPMorgan Chase Bank, N.A. is one of the principal bank subsidiaries of JPMorgan Chase & Co., a company incorporated in the State of Delaware in the United States of America.

Investment Policy

JPMSP may undertake independent investments in its sole discretion with the proceeds (net of third party costs) of an issuance of notes, warrants or certificates, subject to compliance with certain legal, tax and regulatory restrictions.

Principal Activities

JPMSP's business principally consists of the issuance of securitised derivatives comprising notes, warrants and certificates, including equity-linked, reverse convertible and market participation notes (the "**Instruments**") and the subsequent hedging of those risk positions. All issuances which have been closed to date are subject to hedging arrangements. The proceeds of the sale of the securities are used for general corporate purposes, including the entry into hedging arrangements with other JPMorgan Chase companies. JPMSP anticipates that the hedging arrangements will be sufficient to hedge itself against the market risk of its securities issuance activities. JPMSP also has receipts from and makes payments to other JPMorgan Chase companies.

Principal Markets

During the financial year ended 31 December 2008, JPMSP issued securities in the Asia Pacific region, in Europe, the Middle East, Africa and a limited number in the United States of America.

Trend Information

JPMSP's primary objective in 2009 will be the continued development of securitised products to be offered and sold to retail, 'high net worth' and institutional investors principally outside of the United States of America, linked to a range of underlying reference assets including equity, credit, interest rates, commodities and so called "alternatives" such as funds and hedge funds.

Directors and Officers of JPMSP

The administrative, management and supervisory bodies of JPMSP comprise its Board of Directors. Set forth below is the name and position of JPMSP's Directors:

<i>Name</i>	<i>Function</i>	<i>Business address</i>
Jacob Cornelis Willem van Burg	Managing Director	Strawinskylaan 3105, Atrium 7 th Floor, 1077 ZX Amsterdam, The Netherlands
Jakob Pieter Everwijn	Managing Director	Strawinskylaan 3105, Atrium 7 th Floor, 1077 ZX Amsterdam, The Netherlands

Jozef Cornelis Petrus van Uffelen	Managing Director	Strawinskylaan 3105, Atrium 7 th Floor, 1077 ZX Amsterdam, The Netherlands
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The principal outside activities of Messrs. Van Burg, Everwijn and Van Uffelen are as employees of the firm Equity Trust, a trust company which was established in The Netherlands in 1970. All Directors hold office until removed. The principal outside activity of Mr von Gunten is as a director of J.P. Morgan Securities Ltd.

Subject in the case of Messrs. Van Burg, Everwijn and Van Uffelen to their duties to Equity Trust, and in the case of Mr von Gunten to his duties to J.P. Morgan Securities Ltd., there are no actual or potential conflicts of interest between any duties owed to JPMSP by the Directors of JPMSP identified above and their private interests and/or outside duties.

Corporate Governance

JPMSP complies with established accepted principles of corporate governance in The Netherlands. The Board of Directors of JPMSP conducts itself in accordance with general principles of Dutch corporate law.

The Board of Directors has appointed a committee to authorise and transact in suances of Instruments. No other committees made up for specific purposes or to perform specific functions have been appointed.

Financial information concerning JPMSP

Historical financial information

JPMSP was incorporated on 6 November 2006. The Audited Financial Statements 2008 are prepared and filed in accordance with the laws of The Netherlands.

JPMSP's Audited Financial Statements are incorporated by reference into this Registration Document. PricewaterhouseCoopers Accountants N.V., who are members of the Royal Dutch Institute of Chartered Accountants (*Koninklijk Nederlands Instituut voor Registeraccountants*), have audited without qualification the Audited Financial Statements. Copies of the auditor's reports appear at page 24 of the Audited Financial Statements 2008 and at page 20 of the Audited Financial Statements 2007, and are incorporated by reference into this Registration Document. PricewaterhouseCoopers Accountants N.V. has no material interest in JPMSP. JPMSP will not produce interim financial statements until required to do so by applicable law or regulations.

Selected Financial Information

The profit after tax of JPMSP for the financial year ending 31 December 2008 was U.S.\$9,183,000 (U.S.\$14,279,000 for the financial year ended 31 December 2007). As at 31 December 2008 the total shareholders' funds of JPMSP were U.S.\$523,485 (U.S.\$514,302,000 as at 31 December 2007). JPMSP's profit on ordinary activities before taxation for the year ended 31 December 2008 was U.S.\$12,841,000 (U.S.\$19,305,000 for the year ended 31 December 2007). JPMSP's total assets at 31 December 2008 were U.S.\$17,701,353,000 (U.S.\$1,505,070,000 as at 31 December 2007). JPMSP's total liabilities as at 31 December 2008 were U.S.\$17,177,868,000 (U.S.\$990,768,000 as at 31 December 2007).

Capital Structure

The authorised share capital of JPMSP is Euro 90,000, divided into 90,000 ordinary shares of Euro 1.00 each. At incorporation 18,000 ordinary shares were issued. By a notarial deed of share issuance dated 30 March 2007 an additional 2,000 ordinary shares were issued in consideration of U.S.\$500,000,000 million. The total issued and paid up share capital therefore amounts to 20,000 ordinary shares. JPMSP does not hold any of its own shares.

Memorandum and Articles of Association

JPMSP's objects as set out in Article 3 of its Articles of Association are:

- (a) to incorporate, to participate in any way whatsoever, to manage, to supervise, to operate and to promote enterprises, businesses and companies;
- (b) to finance businesses and companies;
- (c) to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness as well as to enter into agreements in connection with the aforementioned;
- (d) to enter into swaps and any other derivative transactions whatsoever to hedge the company's exposure under any agreements, securities or other instruments whatsoever to which it is a party;
- (e) to supply advice and to render services to enterprises and companies with which the company forms a group and to third parties;
- (f) to render guarantees, to bind the company and to pledge its assets for obligations of the companies and enterprises with which it forms a group and on behalf of third parties;
- (g) to obtain, alienate, manage and exploit registered property and items of property in general;
- (h) to trade in currencies, securities and items of property in general;
- (i) to develop and trade in patent, trade marks, licenses, know how and other intellectual and industrial property-rights;
- (j) to perform any and all activity of industrial, financial or commercial nature;

as well as everything pertaining to the foregoing, relating thereto or conducive thereto, all in the widest sense of the word.

Net Turnover

The net turnover of JPMSP for the years ended 31 December 2008 and 31 December 2007 was U.S.\$9,183,000 and U.S.\$14,279,000 respectively.

Principal Establishments and Real Estate owned

JPMSP does not own any principal establishments, which account for more than 10% (ten per cent.) of its revenues, nor does JPMSP own any real estate directly.

INFORMATION RELATING TO JPMCB

History, Development and Organizational Structure

JPMorgan Chase Bank, N.A. is one of the principal bank subsidiaries of JPMorgan Chase & Co. JPMorgan Chase Bank offers a wide range of banking services to its customers both in the United States and internationally. Under the J.P. Morgan and Chase brands, JPMorgan Chase Bank serves millions of customers in the United States and many of the world's most prominent corporate, institutional and government clients. As of December 31, 2008, JPMorgan Chase Bank, N.A. had total assets of \$1.7 trillion, total net loans of \$645.2 billion, total deposits of \$1.1 trillion and total stockholders' equity of \$128.8 billion.

JPMorgan Chase Bank, N.A. was initially organized as a New York banking corporation on November 26, 1968, and converted into a national banking association on November 13, 2004. JPMorgan Chase Bank, N.A. is chartered and its business is subject to examination and regulation by the U.S. Office of the Comptroller of the Currency (the "OCC"), a bureau of the U.S. Department of the Treasury. JPMorgan Chase Bank, N.A. is a member of the U.S. Federal Reserve System and its deposits are insured by the U.S. Federal Deposit Insurance Corporation ("FDIC"). Its U.S. Federal Reserve Bank Identification Number is 852218.

The powers of JPMorgan Chase Bank, N.A. are set forth in the U.S. National Bank Act and include all such incidental powers as shall be necessary to carry on the business of banking; by discounting and negotiating promissory notes, drafts, bills of exchange, and other evidences of debt; by receiving deposits; by buying and selling exchange, coin, and bullion; by loaning money on personal security; and by obtaining, issuing, and circulating notes.

The registered office of JPMorgan Chase Bank, N.A. is located at 1111 Polaris Parkway, Columbus, Ohio 43240, U.S.A. JPMorgan Chase Bank, N.A.'s principal place of business is located at 270 Park Avenue, New York, New York 10017-2070, U.S.A. and its telephone number is +1 212 270 6000. References in this Base Prospectus to "JPMorgan Chase Bank" mean JPMorgan Chase Bank, N.A. and its consolidated subsidiaries; references to "JPMorgan Chase" mean JPMorgan Chase & Co. and its consolidated subsidiaries; and references to "the United States" or "U.S." mean the United States of America.

Principal Activities and Principal Markets

The consolidated group of JPMCB and its parent company, JPMorgan Chase has branches in 23 states within the U.S. and clients such as corporations, financial institutions, governments and institutional investors worldwide.

JPMorgan Chase Bank's activities are organized and integrated with the businesses of JPMorgan Chase into business segments for each line of business, as well as a Corporate segment. The wholesale businesses are the Investment Bank, Commercial Banking, Treasury & Securities Services and Asset Management, and the consumer businesses are Retail Financial Services and Card Services. A description of these lines of business, and the products and services they provide to their respective client bases, follows.

Investment Bank

J.P. Morgan is one of the world's leading investment banks, with deep client relationships and broad product capabilities. The Investment Bank's clients are corporations, financial institutions, governments and institutional investors. JPMorgan Chase Bank offers a full range of investment banking products and services in all major capital markets, including advising on corporate strategy and structure, capital raising in equity and debt markets, sophisticated risk management, market-making in cash securities and derivative instruments, prime brokerage and research. The Investment Bank also selectively commits JPMorgan Chase Bank's own capital to principal investing and trading activities.

Retail Financial Services

Retail Financial Services, which includes the Retail Banking and Consumer Lending reporting segments, serves consumers and businesses through personal service at bank branches and through ATMs, online banking and telephone banking as well as through auto dealerships and school financial aid offices. Customers can use more than 5,400 bank branches and 14,500 ATMs in the United States as well as online and mobile banking around the clock. More than 21,400 branch salespeople assist customers with checking and savings accounts, mortgages, home equity and business loans, and investments across the 23-state footprint from New York and Florida to California. Consumers also can obtain loans through more than 16,000 auto dealerships and 4,800 schools and universities throughout the United States.

Card Services

Chase Card Services, which includes both Chase Bank USA, N.A. and JPMorgan Chase Bank, N.A., is one of the largest credit card issuers in the United States. Chase has a market leadership position in building loyalty and rewards programs with many of the world's most respected brands and through its proprietary products, which include the Chase Freedom program. Through its merchant acquiring business, Chase Paymentech Solutions, Chase is one of the leading processors of MasterCard and Visa payments.

Commercial Banking

Commercial Banking serves more than 26,000 clients in the United States, including corporations, municipalities, financial institutions and not-for-profit entities with annual revenue generally ranging from \$10 million to \$2 billion, and nearly 30,000 real estate investors/owners. Delivering extensive industry knowledge, local expertise and dedicated service, Commercial Banking partners with JPMorgan Chase's other businesses to provide comprehensive solutions, including lending, treasury services, investment banking and asset management to meet its clients' U.S. domestic and international financial needs.

Treasury & Securities Services

Treasury & Securities Services is a global leader in transaction, investment and information services. Treasury & Securities Services is one of the world's largest cash management providers and a leading global custodian. Treasury Services provides cash management, trade, wholesale card and liquidity products and services to small and mid-sized companies, multinational corporations, financial institutions and government entities. Treasury Services partners with the Commercial Banking, Retail Financial Services and Asset Management businesses to serve clients firm-wide. As a result, certain Treasury Services revenue is included in other segments' results. Worldwide Securities Services holds, values, clears and services securities, cash and alternative investments for investors and broker-dealers, and manages depositary receipt programs globally.

Asset Management

Asset Management, with assets under supervision of \$1.5 trillion as of December 31, 2008, is a global leader in investment and wealth management. Asset Management clients include institutions, retail investors and high-net-worth individuals in every major market throughout the world. Asset Management offers global investment management in equities, fixed income, real estate, hedge funds, private equity and liquidity, including money market instruments and bank deposits. Asset Management also provides trust and estate, banking and brokerage services to high-net-worth clients, and retirement services for corporations and individuals. The majority of Asset Management's client assets are in actively managed portfolios.

Trend Information

The following forward-looking statements are based upon the current beliefs and expectations of JPMorgan Chase Bank's management and are subject to significant risks and uncertainties. These

risks and uncertainties could cause JPMorgan Chase Bank's actual results to differ materially from those set forth in such forward-looking statements.

JPMorgan Chase Bank's outlook for 2009 should be viewed against the backdrop of the global and U.S. economies, financial markets activity, the geopolitical environment, the competitive environment and client activity levels. Each of these linked factors will affect the performance of JPMorgan Chase Bank and its lines of business. In addition, as a result of recent market conditions and events, the U.S. Congress and regulators worldwide have increased their focus on the regulation of financial institutions. JPMorgan Chase Bank's current expectations are for the global and U.S. economic environments to weaken further and potentially faster, capital markets to remain under stress, for there to be a continued decline in U.S. housing prices, and for Congress and regulators to continue to adopt legislation and regulations that could limit or restrict JPMorgan Chase Bank's operations, or impose additional costs upon JPMorgan Chase Bank in order to comply with such new laws or rules. These factors are likely to continue to adversely impact JPMorgan Chase Bank's revenue, credit costs, overall business volumes and earnings.

Given the potential stress on the consumer from rising unemployment, the continued downward pressure on housing prices and the elevated national inventory of unsold homes, management remains extremely cautious with respect to the credit outlook for home equity, mortgage and credit card portfolios. JPMorgan Chase Bank's management expects continued deterioration in credit trends for the home equity, mortgage and credit card portfolios, which will likely require additions to the consumer loan loss allowance in 2009 or beyond. Economic data released in early 2009 indicated that housing prices and the labor market have weakened further since year-end, and that deterioration could continue into late 2009. Based on management's current economic outlook, quarterly net charge-offs for the home equity, prime mortgage and subprime mortgage portfolios could increase significantly over the next several quarters.

Management expects the managed net charge-off rate for Card Services (excluding the impact resulting from the acquisition of Washington Mutual's banking operations) to likely be higher by the end of the year depending on unemployment levels. These charge-off rates could increase even further if the economic environment continues to deteriorate further than management's current expectations. The wholesale provision for credit losses and nonperforming assets are likely to increase over time as a result of the deterioration in underlying credit conditions. Wholesale net charge-offs in 2008 increased from historic lows in 2007 and are likely to increase materially in 2009 as a result of increasing weakness in the credit environment.

The Investment Bank continues to be negatively affected by the disruption in the credit and mortgage markets, as well as by overall lower levels of liquidity. The continuation of these factors could potentially lead to reduced levels of client activity, lower investment banking fees and lower trading revenue. In addition, if JPMorgan Chase & Co.'s own credit spreads tighten, as they did in the fourth quarter of 2008, the change in the fair value of certain trading liabilities would also negatively affect trading results. JPMorgan Chase Bank held \$12.6 billion (gross notional) of legacy leveraged loans and unfunded commitments as held-for-sale as of December 31, 2008. Markdowns averaging 45% of the gross notional value have been taken on these legacy positions as of December 31, 2008, resulting in a net carrying value of \$6.9 billion. Leveraged loans and unfunded commitments are difficult to hedge effectively, and if market conditions further deteriorate, additional markdowns may be necessary on this asset class. In spite of active hedging, mortgage exposures could be adversely affected by worsening market conditions and further deterioration in the housing market.

Earnings in Commercial Banking and Treasury & Securities Services could decline due to the impact of tighter spreads in the low interest rate environment or a decline in the level of liability balances. Earnings in Treasury & Securities Services and Asset Management will likely deteriorate if market levels continue to decline, due to reduced levels of assets under management, supervision and custody. Earnings in the Corporate segment could be more volatile due to increases in the size of JPMorgan Chase Bank's investment portfolio, which is largely comprised of investment-grade securities.

Executive Officers and Directors

Executive Officers

The following persons are the Executive Officers of JPMorgan Chase Bank, N.A. as at the date of this Base Prospectus. The business address of each Executive Officer is 270 Park Avenue, New York, New York 10017-2070, U.S.A.

Name	Title
James Dimon	Chairman of the Board, President and Chief Executive Officer
Frank J. Bisignano	Chief Administrative Officer
Steven D. Black	Co-Chief Executive Officer, Investment Bank
Michael J. Cavanagh	Chief Financial Officer
Stephen M. Cutler	General Counsel
William M. Daley	Head, Corporate Responsibility
Ina R. Drew	Chief Investment Officer
Samuel Todd Maclin	Head, Commercial Banking
Jay Mandelbaum	Head, Strategy and Business Development
Heidi Miller	Chief Executive Officer, Treasury & Securities Services
Charles W. Scharf	Chief Executive Officer, Retail Financial Services
Gordon A. Smith	Chief Executive Officer, Card Services
James E. Staley	Chief Executive Officer, Asset Management
William T. Winters	Co-Chief Executive Officer, Investment Bank
Barry L. Zubrow	Chief Risk Officer

Directors

The following persons are the members of the Board of Directors of JPMorgan Chase Bank, N.A. as at the date of this Base Prospectus. The business address of each Director is JPMorgan Chase Bank, N.A., 270 Park Avenue, New York, New York 10017-2070, U.S.A.

Name	Principal Occupation
James Dimon	Chairman of the Board, President and Chief Executive Officer
Frank J. Bisignano	Chief Administrative Officer
Steven D. Black	Co-Chief Executive Officer, Investment Bank
Michael J. Cavanagh	Chief Financial Officer
Charles W. Scharf	Chief Executive Officer, Retail Financial Services
James E. Staley	Chief Executive Officer, Asset Management

Conflicts of Interest

There are no material potential conflicts of interest between the duties to JPMorgan Chase Bank, N.A. of each of the Executive Officers and Directors named above and his/her private interests and/or other duties.

Financial Information

JPMorgan Chase Bank, N.A. prepares annual and quarterly consolidated financial statements in accordance with U.S. generally accepted accounting principles. In addition, where applicable, the accounting and financial reporting policies of JPMorgan Chase Bank, N.A. conform to the accounting and reporting guidelines prescribed by U.S. bank regulatory authorities. The audited Consolidated Financial Statements of JPMorgan Chase Bank, N.A. as at and for the years ended 31 December 2008 and 31 December 2007 are included in this Base Prospectus. In addition, JPMorgan Chase Bank, N.A.'s annual and quarterly consolidated financial statements, as they become available, can be viewed on the Luxembourg Stock Exchange's website at www.bourse.lu.

JPMorgan Chase Bank, N.A. also files Consolidated Reports of Condition and Income ("Call Reports") with its primary federal regulator, the U.S. Office of the Comptroller of the Currency ("OCC"). These

Call Reports are publicly available upon written request to the U.S. Federal Deposit Insurance Corporation (“FDIC”) at 550 17th Street, N.W., Washington D.C. 20429, Attention: Disclosure Group, Room F-518. The FDIC has a website where the Call Reports can be viewed, at <http://www.fdic.gov>. The Call Reports are prepared in accordance with regulatory instructions issued by the U.S. Federal Financial Institutions Examinations Council and not U.S. generally accepted accounting principles. The Call Reports are supervisory and regulatory documents; they are not primarily accounting documents, do not conform with U.S. generally accepted accounting principles and do not provide a complete range of financial disclosure about JPMorgan Chase Bank. Nevertheless, the Call Reports do provide important information concerning the financial condition of JPMorgan Chase Bank. The Call Reports are not included or incorporated by reference in, and shall not be deemed to be part of, this Base Prospectus.

Additional Information

Additional information concerning JPMorgan Chase Bank, N.A., including the Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed by JPMorgan Chase & Co. with the U.S. Securities and Exchange Commission, as they become available, can be viewed on the SEC’s website at www.sec.gov. Those reports and additional information concerning JPMorgan Chase Bank, N.A. can also be viewed on JPMorgan Chase & Co.’s investor relations website at <http://investor.shareholder.com/jpmorganchase/>. No websites that are cited or referred to herein shall be deemed to form part of, or to be incorporated by reference in, this Base Prospectus.

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in the amended and restated programme agreement dated 23 April 2009, as may be amended and/or supplemented and/or restated from time to time (the "**Programme Agreement**"), between the Issuer, the Guarantor, the Permanent Dealers and the Arranger, the Instruments will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, each Issuer has reserved the right to sell Instruments directly on its own behalf to Dealers that are not Permanent Dealers. **The price and amount of Instruments to be issued under the Programme will be determined by the Issuer and Dealer(s) at the time of issue in accordance with prevailing market conditions.** The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Instruments may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for Instruments to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers. If a Tranche of Instruments is syndicated, the details of such syndication will be specified in the relevant Final Terms.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Instruments subscribed by it. The commissions in respect of an issue of Instruments on a syndicated basis will be stated in the relevant Final Terms.

The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Instruments in certain circumstances prior to payment for such Instruments being made to the Issuer.

Selling Restrictions

General

The Instruments and the Guarantee have not been and will not be registered under the Securities Act, or any state securities laws, and trading in the Instruments and the Guarantee has not been approved by the CFTC under the Commodities Exchange Act. The Instruments are only being offered and sold pursuant to the registration exemptions contained in Section 3(a)(2) of the Securities Act and Regulation S. The Instruments and the Guarantee may not be offered, sold, pledged, assigned, delivered or otherwise transferred or exercised or redeemed within the United States or to, or for the account or benefit of, any U.S. Person; provided that J.P. Morgan Securities Ltd. may from time to time purchase or sell the Instruments to its affiliates pursuant to other applicable registration exemptions under the Securities Act.

These selling restrictions may be modified by the agreement of the Issuer and the Dealer(s) (e.g. following a change in a relevant law, regulation or directive). Any such modification will be set out in the Final Terms issued in respect of the issue of Instruments to which it relates or in a supplement to this Base Prospectus.

Save for the approval of this document as a Base Prospectus for the purposes of the Prospectus Directive by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) (the "**AFM**") and the notification by the AFM to the competent authorities in France, Belgium and Luxembourg of such approval, no action has been taken in any jurisdiction that would permit a public offering of any of the Instruments, or possession or distribution of this Base Prospectus or any of the information incorporated by reference therein or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

J.P. Morgan Securities Ltd. has agreed and any Dealer who is appointed by the Issuer in connection with an issue of Instruments will agree that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Instruments or has in its possession or distributes this Base Prospectus or any of the information incorporated by reference therein, any other offering material or any Final Terms and neither JPMS, JPMCB, nor any other Dealer shall have responsibility therefore.

Belgium

For selling restrictions in respect of Belgium, please see "European Economic Area" below.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Instruments which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Instruments to the public in that Relevant Member State:

- (a) if the final terms in relation to the Instruments specify that an offer of those Instruments may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Instruments which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last (or, in Sweden, last two) annual or consolidated accounts (and in respect of Denmark, if such entities are included in the register of qualified investors kept by the Danish FSA or otherwise are registered as qualified investors within the EU or EEA);
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer;
- (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive; or
- (f) in Hungary at any time to any other entity which falls within the definition of a "qualified investor" as that term is defined in point 133 of Article 5 of the (Hungarian) Act on Capital Markets,

provided that no such offer of Instruments referred to in (b) to (e) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Instruments to the public**" in relation to any Instruments in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Instruments to be offered so as to enable an investor to decide to purchase or subscribe the Instruments, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

France

Each of the Issuer and the Guarantor has represented and agreed that:

- (a) *Offer to the public in France:* it has only made and will only make an offer of Instruments to the public (*offre au public*) in France in the period beginning (i) when a prospectus in relation to those Instruments has been approved by the *Autorité des marchés financiers* ("**AMF**"), on the date of such publication or, (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive 2003/71/EC, on the date of notification of such approval to the AMF, and ending at the latest on the date which is 12 months after the date of approval of the Base Prospectus, all in accordance with articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF and in each case (iii) when the formalities required by French laws and regulations have been carried out; or
- (b) *Private placement in France:* it has not offered or sold and will not offer or sell, directly or indirectly, Instruments to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Instruments, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) other than individuals all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

Luxembourg

For selling restrictions in respect of Luxembourg, please see "European Economic Area" above.

The Netherlands

For selling restrictions in respect of The Netherlands, see "European Economic Area" above.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Instruments having a maturity of less than one year from their date of issue; (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Instruments other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Instruments would otherwise constitute a contravention of section 19 (the general prohibition) of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Instruments in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (iii) it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Instruments in, from or otherwise involving the United Kingdom.

Monaco

The Instruments may not be offered or sold, directly or indirectly, to the public in Monaco other than by a Monaco duly authorized intermediary acting as a professional institutional investor which has such knowledge and experience in financial and business matters as to be capable of evaluating the risks and merits of an investment in the Instruments. Consequently, any documentation relating to the offer of the Instruments may only be communicated to banks or any financial companies duly licensed by the “*Commission de Contrôle des Activités Financières*” to carry out portfolio management activities by virtue of Monegasque Law n° 1.338 of September 7, 2007.

The recipients of the present document acknowledge that they are perfectly fluent in English, and perfectly understand its content, and renounce expressly to obtain a French translation of this document.

United States

The Instruments and the Guarantee have not been and will not be registered under the Securities Act, or any state securities laws, and trading in the Instruments and the Guarantee has not been approved by the SEC, any state securities commission, the CFTC under the U.S. Commodities Exchange Act, as amended, any U.S. federal or state banking authority or any other U.S. or foreign regulatory authority, and neither JPMSP nor JPMCB has registered, nor intends to register, as an investment company under the Investment Company Act. Accordingly, the Instruments may not be offered, sold, pledged, assigned, delivered, redeemed or otherwise transferred or exercised at any time within the United States or its possessions or to or for the account or benefit of any U.S. Person. In this Base Prospectus, the term “U.S. Person” has the meaning ascribed to it in either Regulation S or the Code. The Instruments and the Guarantee are being offered and sold outside of the United States in reliance on the registration exemptions contained in Regulation S and Section 3(a)(2) of the Securities Act. Accordingly, the Dealers have represented and agreed in the Programme Agreement, and any other Dealer who is appointed by the Issuer in connection with an issue of a Series of such Instruments, will represent and agree, that it, its affiliates, and any person acting on its or their behalf has not offered or sold and will not offer or sell such Instruments at any time, directly or indirectly within the United States of America or its possessions or to, or for the account or benefit of, any U.S. Person. The Dealers further have represented and agreed in the Programme Agreement, and any other Dealer who is appointed by the Issuer in connection with an issue of a Series of Instruments will represent and agree that it, its affiliates, and any person acting on its or their behalf will not offer or sell the Instruments at any time except in accordance with Rule 903 of Regulation S under the Securities Act, and that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Instruments, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. The terms used in this paragraph have the meanings given to them by Regulation S.

The Dealers have also agreed in the Programme Agreement, and any other Dealer who is appointed by the Issuer in connection with an issue of a Series of Instruments will agree, that, at or prior to confirmation of a sale of Instruments, it, its affiliates, and any person acting on its or their behalf will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Instruments from it (whether upon original issuance or in any secondary transaction) a written confirmation or notice stating that the purchaser is subject to the same restrictions on offers and sales and setting forth the restrictions on offers and sales of the Instruments within the United States of America and its possessions or to, or for the account or benefit of, any U.S. Person.

The Instruments may not be legally or beneficially owned by any U.S. Person at any time. Each holder and each legal and beneficial owner of an Instrument, as a condition to purchasing such Instrument or any legal or beneficial interest therein, will be deemed to represent on purchase that neither it nor any person for whose account or benefit the Instruments are being purchased (i) is located in the United States of America, (ii) is a U.S. Person or (iii) was solicited to purchase the Instruments while present in the United States of America. Each holder and each legal and beneficial owner of an Instrument hereby will be deemed on purchase to agree not to offer, sell, deliver, pledge or otherwise transfer any of the Instruments or any interest therein at any time, directly or indirectly, in the United States of America or to any U.S. Person. The terms used in this paragraph have the meanings given to them by Regulation S.

Disclaimer

As a result of the foregoing restrictions, purchasers of Instruments are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Instruments.

No offers, sales, re-sales or deliveries of any Instruments, or distribution of any offering material relating to any Instruments, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on JPMSP or JPMCB.

TAXATION

The comments below address only certain aspects of the taxation of income from Instruments in a limited number of jurisdictions and are included herein solely for information purposes. These comments cannot replace individual legal or tax advice or become a sole base for any investment decisions and/or assessment of any potential tax consequences thereof.

Instruments may have terms or conditions that result in tax consequences that differ from those described below. In that case, the supplement pursuant to which those Instruments are issued will include a summary of material tax considerations applicable to those Instruments.

PROSPECTIVE PURCHASERS OF THE INSTRUMENTS ARE ADVISED TO CONSULT THEIR OWN ADVISORS AS TO THE TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF AN INSTRUMENT.

European Union Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, since 1st July, 2005, Member States have been required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria will instead be required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EC countries and territories, including Switzerland, have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

Belgium Taxation

Set out below is a summary of certain Belgian tax consequences of acquiring, holding and selling the Notes and the Securities. This summary is not intended to be an exhaustive description of all relevant Belgian tax considerations and investors should consult their own tax advisors regarding such considerations in relation to their own particular circumstances. The description of certain Belgian taxes set out below is for general information only and does not purport to be comprehensive.

Please note that this summary does not cover the tax treatment of the assets that may be received upon the redemption of the Notes or Securities.

This summary is based on current legislation, published case law and other published guidelines and regulations as in force at the date of this document and remains subject to any future amendments, which may or may not have retroactive effect.

Belgian income tax

The description of the tax regime below relies on a characterization of the Notes and the Securities (with the exception of warrants however) as securities which constitute claim rights for Belgian tax purposes, which characterization may in some cases depend on the contents of the relevant final terms.

Note that for Belgian tax purposes, interest includes any stated interest as well as any amount paid in excess of the initial issue price of claim right securities upon redemption or purchase by the Issuer.

If the redemption or purchase by the Issuer is in full or in part settled by means of a delivery of shares or other securities, interest includes any positive difference between the market value of those shares on the date of their payment or attribution and the initial issue price of the Notes or Securities. In the event interest is paid in the form of delivery of securities, the market value of those securities may not be lower than the value of those securities (before the date of the grant or payment) as determined in the most recent publication by the Belgian Government of the value of securities listed on a Belgian stock exchange (such publication is issued monthly, on the 20th of each month) or on a similar non-Belgian stock exchange.

Belgian resident individuals

For individuals subject to Belgian personal income tax, and who are not holding the Notes or the Securities as a professional investment, all interest payments (as defined in the Belgian Income Tax Code) will be subject to the tax regime described below.

If interest is paid through a Belgian intermediary, such intermediary must levy withholding tax. The current applicable withholding tax rate is 15%. No other personal income tax will be levied on this income. If no Belgian intermediary is involved in the interest payment, the investor must declare this interest as income in his or her personal income tax return. Such income will, in principle, be taxed separately, currently at a rate of 15% (plus the applicable local surcharge).

Any capital gain realised outside the scope of a professional activity upon a sale of the Notes or the Securities to a party other than the Issuer is in principle tax exempt (unless the tax authorities can prove that the capital gain does not result from the normal management of the individual's private estate), except in respect of that part of the sale price attributable to the pro rata interest component (if any). The investor must declare the interest as income in his or her personal income tax return. Such income will in principle be taxed separately, currently at a rate of 15% (plus the applicable local surcharge), unless it can be demonstrated that such income will be subject to Belgian withholding tax upon maturity. Capital losses on the Notes or Securities are usually not deductible.

Belgian companies

A 15% withholding tax must generally be levied on interest (as defined by the Belgian Income Tax Code) which are paid through an intermediary established in Belgium. However, an exemption is available with respect to interest paid on bonds and assimilated instruments to a Belgian resident company, except if the interest are paid on zero-coupon or capitalisation bonds. If Belgian withholding tax is applicable, Belgian companies are, in principle, entitled to set off such withholding tax against their corporate income tax liability provided that certain conditions are fulfilled.

For any Belgian company subject to Belgian corporate income tax, all interest and any gain on a sale of the Notes or Securities will form part of that company's taxable basis. Losses on the Notes and Securities are, in principle, tax deductible.

Other Belgian legal entities subject to the legal entities income tax

For other Belgian legal entities subject to the legal entities income tax, all interest payments (as defined by the Belgian Income Tax Code) will be subject to withholding tax, currently at a rate of 15%.

If interest is paid through a Belgian intermediary, such intermediary must levy withholding tax, currently at the rate of 15%. No other legal entities income tax will be levied on this income. If no Belgian intermediary is involved, the withholding tax must be declared and paid by the legal entity itself.

Any capital gain on a sale of the Notes or Securities will, in principle, be tax exempt, except for that part of the sale price attributable to the pro rata interest component (if any). Such interest is subject to withholding tax, currently at the rate of 15%. This withholding tax must be paid by the legal entity itself, unless it can demonstrate that the withholding tax will be paid at maturity.

Capital losses on the Notes or Securities are not usually deductible.

Tax on stock exchange transactions

The acquisition of the Notes and the Securities upon their issuance is not subject to the tax on stock exchange transactions.

The sale and acquisition of the Notes and the Securities on the secondary market is subject to a tax on stock exchange transactions if executed in Belgium through a professional intermediary. The tax is generally due at a rate of 0.07% (for instruments qualifying as bonds and assimilated securities) or 0.17% (for other instruments) in respect of each sale and acquisition separately, subject to a maximum of EUR 500 per taxable transaction. Exemptions apply for certain categories of institutional investors and non-residents.

Any transfer and acquisition of existing securities upon the redemption of the Notes or the Securities will also be subject to a tax on stock exchange transactions if executed in Belgium through a professional intermediary. The tax will be due at a rate of 0.07% (for instruments qualifying as bonds and assimilated securities) or 0.17% (for other instruments) on both the transfer and the acquisition separately, subject to a maximum of EUR 500 per taxable transaction. Exemptions apply for certain categories of institutional investors and non-residents.

Tax on the physical delivery of bearer securities

The physical delivery of bearer securities is subject to a 0.6% *tax on physical delivery* if such delivery is subsequent to (i) the secondary market acquisition for consideration through a financial intermediary, (ii) the transformation from registered into bearer form, or (iii) the release from deposit with a credit institution, stock broker, company for asset management or the Interprofessional Securities Depository and Giro Bank (“*Interprofessionele Effectendeposito- en Girokas* or *Caisse Interprofessionnelle de Dépôts et de Virements de Titres*”). There is an exemption available in respect of the physical delivery of bearer securities to certain financial intermediaries. This paragraph contemplates, as the case may be, physical delivery of securities linked to the Instruments, and not physical delivery of the Instruments themselves, as the Instruments may only be issued in dematerialised form.

France Taxation

The following summary describes the principal French tax treatment applicable to the holding of the Notes, Certificates and Warrants by an investor residing in France or outside of France from a tax point of view following an offer in France.

This information is of a general nature and does not purport to be a comprehensive description of all French tax considerations that may be relevant to a decision to acquire, to hold and to dispose of the Notes, Certificates and Warrants. In some cases, different rules can be applicable.

Furthermore, the tax rules can be amended in the future, possibly implemented with retroactive effect, and the interpretation of the tax rules may change. This summary is based on the French tax legislation, treaties, rules, and administrative interpretations and similar documentation, in force as of the date of the publication of this offer in France, without prejudice to any amendments introduced at a later date, even if implemented with retroactive effect.

Each prospective Holder of a Note, a Certificate or a Warrant should consult a professional adviser with respect to the tax consequences of an investment in the Notes, Certificates and Warrants, taking into account the influence of each regional, local or national law.

INVESTMENT IN THE NOTES AND CERTIFICATES

Investors residing in France

Taxation of individuals

Taxation of capital gains

Capital gains derived from the disposal of the Notes and Certificates are subject to capital gains tax at the rate of 18% plus 12.1% social contributions (i.e. a global rate of taxation of 30.1%).

However, gains realised in a given calendar year are only taxable if the total proceeds of sales of securities realised by the taxpayer and his/her household exceeds a certain threshold in such year. For 2009, the threshold is EUR 25,730.

If the investor sells Notes or Certificates at a loss, such loss may be offset against capital gains of the same nature during the year of the loss or the ten following years, subject to filing obligations and provided that the above sales threshold (i.e. currently EUR 25,730) was exceeded in the year in which the loss was realised.

The Notes and the Certificates are not eligible to the *plan d'épargne en actions* (PEA).

Taxation of interest payments and redemption premium (Prime de remboursement)

Interests and redemption premiums paid to an individual are taxed according to the standard progressive income tax schedule, whose top rate is currently 40%. The above-mentioned social contributions of 12.1% are also due.

However, the individual has the possibility to elect to be subject to a final withholding tax levied at the rate of 18%, plus the above social contributions of 12.1% (i.e. 30.1% in aggregate). In principle, the foreign Paying Agent is not involved in any French withholding tax obligation except where it is especially appointed by the beneficiary of the income to do so.

Taxation of companies subject to French corporate income tax

Taxation of capital gains

Capital gains from the disposal of the Notes and Certificates are subject to corporate income tax at the standard rate of 33 1/3% (or the reduced rate applicable to small companies where the relevant conditions are met), to which a 3.3% surtax is added upon certain circumstances.

Capital losses are in principle treated as ordinary losses which may be set off against operational profits and any remaining balance carried forward in accordance with standard rules (i.e. unlimited carry forward, in principle).

Taxation of interest payments and bond redemption premium (Prime de remboursement)

Interest payments and redemption premiums are taxed at the above-mentioned standard corporate income tax rate (or the reduced rate applicable to small companies where the relevant conditions are met) on the basis of accrued interest.

However, if the estimated value of the redemption premium exceeds purchase value by 10% and the issue price is less than 90% of the estimated redemption value, such premium due to indexation of the principal is partially taxed before maturity on an annual basis, even though this premium is only collected on disposal or redemption on maturity.

Investors residing abroad

Taxation of capital gains

In principle, capital gains realised by the investors upon the sale or disposal of the Notes and Certificates is not subject to capital gains tax in France. The same applies to companies, provided that the Notes and Certificates are not booked in a permanent establishment or fixed base in France.

Taxation of interest payments and bond redemption premium (Prime de remboursement)

All payments of interest as well as bond redemption payment made under the Notes and Certificates should be free of withholding tax or deduction of, for or on account of any taxes of whatever nature imposed, levied, withheld or assessed in France.

INVESTMENT IN THE WARRANTS

Investors residing in France

Taxation of individuals

According to the French tax authorities, profits of any kind (e.g. capital gains derived from the sale of the Warrants or from the sale of the any underlying asset by the individual following the exercise of the option) derived from Warrants listed outside France - in Luxembourg or in the Netherlands here - are deemed to be realised outside France and, therefore, are taxed according to the standard progressive income tax schedule, whose top rate is currently 40%, the above social contributions of 12.1% being also due. Losses may only be set off against profits of the same nature realised during the year or during one of the six following years.

Professionals may elect for taxation of profits as commercial profits (*bénéfices industriels et commerciaux* or BIC), also taxed as ordinary income (i.e. according to the above standard progressive income tax schedule, whose top rate is currently 40%, to which the above-mentioned social contributions of 12.1% should be added), but here losses may be set off against his/her global ordinary income realised during the year or during one of the six following years.

The Warrants are not eligible to the *plan d'épargne en actions* (PEA).

Taxation of companies subject to French corporate income tax

Profits of any kind derived from the Warrants are subject to corporate income tax at the standard rate of 33 1/3% (or the reduced rate applicable to small companies where the relevant conditions are met), to which a 3.3% surtax is added upon certain circumstances. Losses are in principle treated as ordinary losses which may be set off against operational profits and any remaining balance carried forward in accordance with standard rules (i.e. unlimited carry forward, in principle).

Investors residing abroad

In principle, profits of any kind derived from the Warrants are not subject to taxation in France.

The same applies to companies, provided that the Warrants are not booked in a permanent establishment or fixed base in France.

Luxembourg Taxation

The following is a summary of certain Luxembourg tax consequences for Holders of Instruments. The summary is based on legislation as at the date of this document and is intended to provide general information only. The tax treatment of each Holder partly depends on the Holder's specific situation. Each Holder should consult a tax adviser as to the tax consequences relating to their particular circumstances resulting from holding Instruments.

Non-Residents

A Holder of Instruments will not become resident, or deemed to be resident, in Luxembourg by reason only of the holding of the Instruments or the execution, performance and/or delivery of the Instruments.

Under the existing laws of Luxembourg and except as provided for by the Luxembourg law of 21 June 2005 implementing the EU Savings Tax Directive, there is no withholding tax on the payment of interest on, or reimbursement of principal of, the Instruments made to non-residents of Luxembourg through a paying agent established in Luxembourg.

Under the Luxembourg law of 21 June 2005 implementing the EU Savings Tax Directive and as a result of ratification by Luxembourg of certain related Accords with the relevant dependent and associated territories, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual or certain residual entities as defined by the law, who, as a result of an identification procedure implemented by the paying agent, are identified as residents or are deemed to be residents of an EU Member State other than Luxembourg or certain of those dependent or associated territories referred to under the EU Savings Tax Directive, will be subject to a withholding tax unless the relevant beneficiary has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her country of residence or deemed residence or has provided a tax certificate from his/her fiscal authority in the format required by law to the relevant paying agent. Where withholding tax is applied, it will be levied at a rate of 15 per cent. during the first three-year period which started on 1 July 2005, at a rate of 20 per cent. for the subsequent three-year period and at a rate of 35 per cent. thereafter.

When used in the preceding paragraph "interest" and "paying agent" have the meaning given thereto in the Luxembourg law of 21 June 2005.

Resident individuals

Interest on Instruments paid by a Luxembourg paying agent to an individual Holder who is a resident of Luxembourg not holding the Instruments as business assets will be subject to a withholding tax of 10 percent which will operate a full discharge of income tax due on such payments.

The law of 17 July 2008 extended the possibility to benefit, under conditions, from such final withholding tax of 10 percent for interest payments to Luxembourg resident individuals not holding the Instruments as business assets, that are made through a paying agent established in another EU-Member State, in a Member State of the European Economic Area or in a jurisdiction that has concluded an international accord in relation to the EU Savings Tax Directive

When used in the preceding paragraph "interest" and "paying agent" have the meaning given thereto in the Luxembourg law of 23 December 2005.

An individual Holder who is a resident of Luxembourg not holding the Instruments as business assets will not be subject to taxation on capital gains (including foreign exchange gains) upon the disposal of the Instruments, unless the disposal of the Instruments precedes the acquisition of the Instruments or the Instruments are disposed of within six months of the date of acquisition of these Instruments. Upon redemption or exchange of the Instruments, the portion of the redemption or exchange price

corresponding to accrued but unpaid interest is subject to the aforementioned 10 percent withholding tax.

An individual Holder who is a resident of Luxembourg holding the Instruments as business assets will be subject to taxation as set forth in the chapter "*Companies established in Luxembourg*".

Companies established in Luxembourg

A corporate Holder of Instruments or a non-resident corporate Holder who has a permanent establishment in Luxembourg with which the holding of the Instruments is connected, must, for corporate tax purposes, include in his taxable income (i) any interest received or accrued on the Instruments and (ii) the difference between the sale or redemption price (including accrued but unpaid interest) and the lower of the cost or book value of the Instruments sold or redeemed (including foreign exchange gains).

Other Taxes

Luxembourg net wealth tax will not be levied on a Holder of Instruments, unless the Holder is, or is deemed to be, a company resident in Luxembourg for the purpose of the relevant provisions; or the Instruments is attributable to an enterprise or part thereof that is carried on through a permanent establishment in Luxembourg.

There is no Luxembourg registration tax, capital tax, stamp duty or any other similar tax or duty payable in Luxembourg in respect of or in connection with the execution and delivery of the Instruments or the performance of the Issuer's obligations under the Instruments, except that courts proceedings in a Luxembourg court or the representation of the Instruments to an "*autorité constituée*", could imply registration of the Instruments at a fixed registration duty.

Netherlands Taxation

The summary below is intended as general information only and it does not purport to present any comprehensive or complete picture of all aspects of Dutch tax law which could be of relevance to the holder of an Instrument (the "Investor", together referred to as the "Investors"). It is limited to Dutch tax law as applied by the Dutch courts and published and in effect on the date of this supplement and it is subject to any change in law, possibly with retroactive effect.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF THE ACQUISITION, HOLDING OR DISPOSAL OF AN INSTRUMENT.

JPMSP has been advised that the following Dutch tax treatment will apply to the Instruments provided that:

- in each and every respect the terms and conditions of each of the documents, the performance by the parties thereto of their respective obligations and the exercise of their rights thereunder and the transactions contemplated therein, including, without limitation all payments made thereunder, are at arm's length; and

- the Instruments will not be issued under such terms and conditions that the Instruments actually function as equity of JPMSP within the meaning of section 10, subsection 1, under (d), Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

Withholding Tax

All payments of interest and principal under an Instrument made by JPMSP may be made free of withholding or deduction of any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Taxes on Income and Capital Gains

Residents of the Netherlands

The description of certain Dutch taxes set out below is only intended for the following Investors:

- individuals who are resident or deemed to be resident of the Netherlands or individuals who have opted to be taxed as a resident of the Netherlands for the purpose of the relevant Dutch tax law provisions; and
- corporate entities, which term includes associations which are taxable as corporate entities under Dutch tax law, which are resident or deemed to be resident of the Netherlands for the purpose of the relevant Dutch tax law provisions, excluding corporate entities which are: (i) not subject to Dutch corporate income tax (*vennootschapsbelasting*), (ii) exempt from Dutch corporate income tax, including but not limited to pension funds (*pensioenfondsen*) as defined under Dutch law, (iii) investment institutions (*beleggingsinstellingen*) as defined under Corporate Income Tax Act 1969; or (iv) subject to a special regime such as, amongst others, banks, insurance companies and brokers.

Individuals

Generally, an individual, to whom none of the exemptions of the following paragraph applies, will be subject to Dutch income tax on the basis of a deemed yield from the Instruments, regardless of the actual income (including any capital gains) derived from the Instruments. The deemed yield amounts to 4 per cent of the average value of the Investors' net assets in the relevant fiscal year, including the Instruments. The deemed yield, as reduced by certain base allowances, will be taxed at a flat rate of 30 per cent.

Any benefits derived or deemed to be derived from the Instruments (including any capital gains realised on the disposal thereof) which are: (i) attributable to an enterprise from which the resident derives profits, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth of such enterprise other than as an entrepreneur or as shareholder, (ii) taxable as benefits from "miscellaneous activities" (*resultaat uit overige werkzaamheden*) (as defined in Dutch tax law), which include but are not limited to activities which are beyond the scope of regular active asset management (*normaal actief vermogensbeheer*) (as defined in Dutch tax law), and (iii) connected with employment income or (iv) derived from a substantial interest or a deemed substantial interest in JPMSP, are generally subject to Dutch income tax at progressive rates with a maximum of 52 per cent.

Generally, a person will have a substantial interest (*aanmerkelijk belang*) (as defined in Dutch tax law) if he, or his partner (*partner*) (as defined in Dutch law) holds, alone or together, whether directly or indirectly, the ownership of, or certain other rights over, shares representing five per cent or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of JPMSP, or rights to acquire, whether directly or indirectly shares, whether or not already issued, that represent at any time (and from time to time) five per cent or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of JPMSP or the ownership of certain profit participating certificates that relate to five per cent or more of the annual profit of JPMSP and/or to five per cent or more of the liquidation proceeds of JPMSP. A substantial interest is also present if a holder of shares does not, but his or his partner's children (including foster children), certain of his or his partner's other relatives or certain persons sharing his household do have a substantial interest in JPMSP. A deemed substantial interest is also present, if (part of) a substantial interest has been disposed of, or is deemed to have been disposed of, on a non-recognition basis as a result whereof the above-mentioned interest in JPMSP has been reduced to less than 5 per cent.

Corporate entities

A resident of the Netherlands which is a corporate entity will generally be subject to Dutch corporate income tax with respect to income (including any capital gains) derived from the Instruments. The Dutch corporate income tax rate (2008) is 20 per cent over the first EUR 40,000 of taxable income, 23 per cent over any taxable income between EUR 40,000 and EUR 200,000 and 25.5 per cent over any taxable income exceeding EUR 200,000.

Non-residents of the Netherlands

An Investor who derives income or who realises a gain from the disposal or redemption of an Instrument will not be subject to Dutch taxation on such income or gain, provided that:

- the Investor is neither resident nor deemed to be resident of the Netherlands for Dutch tax purposes and, if the Investor is an individual, he has not elected to be treated as a resident of the Netherlands for the purpose of the relevant Dutch tax law provisions;
- the Investor does not have an enterprise or deemed enterprise (as defined in Dutch tax law) or an interest in an enterprise or deemed enterprise (as defined in Dutch tax law) that is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands and to which enterprise or part of that enterprise, as the case may be, the Instruments are attributable;
- the Investor is not entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands, other than by way of securities or through an employment contract, and to which enterprise the Instruments are attributable;
- the Investor does not have a substantial interest (*aanmerkelijk belang*) or a deemed substantial interest in JPMSP as defined in the Income Tax Act 2001 (*Wet op de inkomstenbelasting 2001*);
- the Investor does not carry out and has not carried out employment activities in the Netherlands nor carries or carried out employment activities outside the Netherlands for which the remuneration is subject to Dutch wage withholding tax and with which employment activities the holding of the Instruments is connected; and
- the Investor does not derive benefits from the Instruments that are taxable as benefits from miscellaneous activities in the Netherlands (*resultaat uit overige werkzaamheden in Nederland*) as defined in the Income Tax Act 2001 (*Wet op de inkomstenbelasting 2001*), which include, but are not limited to, activities in respect of the Instruments which are beyond the scope of “regular active asset management” (*normaal actief vermogensbeheer*).

Under Dutch law an Investor will not be deemed resident, domiciled or carrying on a business in the Netherlands by reason only of its holding of the Instruments or the performance by JPMSP of its obligations under the Instruments.

Gift, Estate and Inheritance Taxes

No gift, estate or inheritance taxes will arise in the Netherlands with respect to the acquisition of an Instrument by way of gift by, or on the death of, an Investor who is neither resident nor deemed to be resident of the Netherlands, unless:

- (i) the Investor at the time of the gift has or at the time of his death had an enterprise or an interest in an enterprise that is or was, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Instruments are attributable;
- (ii) the Instruments are or were attributable to an enterprise that is effectively managed in the Netherlands and at the time of the gift the donor is, or at the time of his death the deceased was, entitled to a share in the profits of that enterprise or part thereof other than by way of securities or through an employment contract; or

- (iii) in the case of a gift of Instruments by an individual who at the date of the gift was neither resident nor deemed to be resident of the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands.

For the purpose of Dutch gift, estate and inheritance tax, an individual who has the Dutch nationality will be deemed to be a resident of the Netherlands at the date of the gift or the date of his death, if he has been a resident of the Netherlands at any time during the ten years preceding the date of his gift or the date of his death.

For the purposes of Dutch gift tax, an individual who does not have the Dutch nationality will be deemed to be a resident of the Netherlands at the date of the gift, if he has been a resident of the Netherlands at any time during the twelve months preceding the date of the gift.

Value Added Tax

No value added tax (*Omzetbelasting*) will arise in the Netherlands in respect of any payment of interest and principal by JPMSP under, or with respect to any payment by an Investor in consideration for its acquisition of, an Instrument.

Other Taxes and Duties

No stamp duty, registration tax or any other similar documentary tax or duty, other than court fees, will be payable in the Netherlands in respect of or in connection with the JPMSP's issue or performance, or an Investor's transfer or enforcement, of an Instrument.

Taxation in Monaco

The following summary of certain Monegasque taxation matters is based on the laws and practice in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Instruments, and does not purport to deal with the tax consequences applicable to all categories of holders.

Holders are advised to consult their professional advisers as to the tax consequences of purchase, ownership and disposition of the Instruments relating to their particular circumstance resulting from holding Instruments.

Investors residing in Monaco

Taxation of individuals

Individuals who are residents of Monaco, either Monegasque nationals or foreigners, are not liable to income taxation upon the sale or the disposal of the Instruments and on interest and bond redemption payments (except if the Instruments are booked as a business current asset and also except certain French nationals as described below).

Taxation of companies and of commercial or industrial businesses

The profits and gains derived from a commercial or industrial business carried out in Monaco may be liable to business tax or exempt, depending on the proportion of gross revenues derived from operations in Monaco or out of Monaco.

Should the company's local structure in Monaco realise 25% or more of its gross revenues outside of Monaco, it would be subject to corporate income tax in the Principality of Monaco. Any cost linked to the setting up of the scheme could be deducted from the company's branch's taxable income.

Should the company's local structure in Monaco realise over 75 % or more of its gross revenues in Monaco, it would not be subject to corporate income tax in the Principality of Monaco on its profits.

For those companies and other businesses which are liable to business tax the following would apply:

Capital gains from the disposal of the Instruments are in principle subject to corporate income tax ("impôt sur les bénéfices" or "ISB") at the standard rate of 33.1/3% and capital losses are in principle treated as ordinary losses which may be set off against operational profits or carried forward as the case may be.

Interest payments are taxed at the standard rate of 33.1/3% on the basis of accrued interest.

Bonds redemption premiums are taxed at the standard rate of 33.1/3%.

Investors residing abroad :

Companies:

Companies and other legal entities which are resident of other countries are in principle not liable to taxation upon the sale or the disposal of the Instruments, provided the Instruments are not booked in a permanent establishment or fixed base of business in Monaco.

Individuals

Capital gains from the disposal of the Instruments are not subject to personal income tax whether by way of withholding at source or otherwise.

Under the existing laws of Monaco and except as provided for by the Monaco Sovereign Ordinances n° 100 and 101 of 20 June, 2005 implementing the EU Savings Tax Directive, there is no withholding tax on the payment of interest on, or reimbursement of principal of, the Instruments made to non-residents of Monaco through a paying agent established in Monaco.

Under the Monaco Sovereign Ordinance n° 101 implementing the EU Savings Tax Directive and as a result of ratification by Monaco of the Accord of 7 December 2004 with the European Union, payments of interest or similar income made or ascribed by a paying agent established in Monaco to or for the benefit of an individual as defined by the applicable regulations, who are identified as residents, or are deemed to be residents, of an EU Member State, except France, will be subject to a withholding tax unless the relevant beneficiary has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her country of residence or deemed residence or has provided a tax certificate from his/her fiscal authority in the format required by the applicable regulations to the relevant paying agent. Where withholding tax is applied, it will be levied at a rate of 15 per cent until 30 June 2008, 20 per cent between 1 July 2008 and 30 June, 2011 and 35 per cent afterwards.

When used in the preceding paragraph "interest" and "paying agent" have the meaning given thereto in the Monaco ordinance n° 101.

French residents and French nationals who are residents in Monaco:

Monaco paying agents are required to report in all circumstances the income and capital gains received by French residents for the purpose of assessing French income tax.

French nationals residing in Monaco should be required, depending on their personal circumstances, to report their income and pay the corresponding tax in France, as though they were French residents.

French residents and French nationals residing in Monaco may also be liable to French Wealth tax.

According to the treaty of May 18, 1963 entered into between the French Republic and the Principality of Monaco, French nationals residing in Monaco are liable to income tax on the basis of the rules applicable under French Law. This rule is based on the sole criteria of their nationality and applies regardless of the fact that the French nationals reside in Monaco (unless they are “privileged French nationals” who were already settled in Monaco by October 13, 1962). We would, therefore, recommend French residents in Monaco seek specific French taxation advice on their position.

Should any holder of Instruments be resident outside of Monaco, as previously mentioned, they should seek advice from tax advisors established in their country of domicile.

United States Federal Income Taxation

The following is a summary of certain United States federal income and estate tax consequences of the purchase, ownership and disposition of Notes and Securities. This summary is based on the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), administrative pronouncements, judicial decisions and existing, proposed and temporary Treasury Regulations, changes to any of which subsequent to the date hereof may affect the tax consequences described herein.

This summary discusses only the principal United States federal income tax consequences to United States Alien Holders (as defined below). It does not address all of the tax consequences that may be relevant to a Holder in light of the Holder's particular circumstances. For purposes of the discussion below, a **"United States Alien"** means any person who is, for United States federal income tax purposes, as to the United States (i) a natural person who is not a citizen or resident of the United States, (ii) a foreign corporation, or (iii) a foreign estate or trust. The treatment of Holders that are partnerships (and their partners) will depend on the status of the partnership and its partners and such Holders (and their partners) should discuss the federal income tax consequences of owning Notes or Securities with its own tax advisor.

This discussion is limited to the federal tax issues addressed herein. Additional issues may exist that are not addressed in this discussion and that could affect the federal tax treatment of an investment in the Notes or Securities. This tax disclosure was written in connection with the dissemination of this Base Prospectus, and it cannot be used by any holder for the purpose of avoiding penalties that may be asserted against the holder under the Internal Revenue Code. Holders should seek their own advice based on their particular circumstances from an independent tax adviser.

United States Federal Income, Withholding and Estate Tax

Subject to the discussion of U.S. federal backup withholding in the following section, the Issuer expects that payments on the Notes and Securities generally will not be subject to U.S. federal withholding tax.

Gain realized on the sale, exchange, retirement or other disposition of a Note or Security by a United States Alien will generally not be subject to U.S. federal income tax unless (i) such income is effectively connected with a trade or business conducted by the United States Alien in the United States, or (ii) the United States Alien has or had a current or former relationship with the United States, including a relationship as a citizen or resident thereof or based on an individual's presence in the United States for 183 days or more in the taxable year of the applicable jurisdiction.

Generally, an Instrument held by an individual who is a United States Alien at the time of death will not be subject to U.S. federal estate tax as a result of the individual's death if at the time of the individual's death payments with respect to the Note or Security would not have been effectively connected with a U.S. trade or business of the individual.

United States Backup Withholding and Information Reporting

Payments on, and proceeds from the disposition of, Notes or Securities made within the United States or by or through a person with one or more enumerated relationships with the United States, such as a controlled foreign corporation for U.S. federal income tax purposes (such person a “U.S. Controlled Person”) or with respect to certain debt instruments in registered form may be subject to information reporting and may be subject to U.S. backup withholding unless the United States Alien has provided

applicable certification of foreign status or otherwise establishes an exemption. Subject to the foregoing, unless the Issuer or the paying agent has actual knowledge or reason to know that the holder or beneficial owner, as the case may be, is a United States Person, payments on and proceeds from the sale of the Notes or Securities made outside the United States generally will be exempt from the U.S. backup withholding and, if made by or through a person that is not a U.S. Controlled Person the information reporting rules. Any amounts withheld under the backup withholding rules may be allowed as a credit against the holder's U.S. federal income tax liability, and may entitle the holder to a refund, provided that the required information is furnished to the U.S. Internal Revenue Service.

Holders should consult their tax advisors regarding the application of information reporting and backup withholding to their particular situations, the availability of an exemption therefrom, and the procedure for obtaining an exemption, if available.

THE SUMMARY OF U.S. FEDERAL INCOME AND ESTATE TAX MATTERS SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING NOTES OR SECURITIES, INCLUDING THE APPLICABILITY AND EFFECT OF U.S. FEDERAL, STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

GENERAL INFORMATION

- (1) Establishment of the Programme by JPMSP was authorised by a resolution of the Board of Directors of JPMSP dated 13 December 2007. The update of the Programme was authorised by a resolution of the Board of Directors of JPMSP dated 12 December 2008. Issuances of Instruments by JPMSP under the Programme were authorised by a resolution of the Board of Directors of JPMSP dated 12 December 2008, which designated an authorisation committee of the Board of Directors of JPMSP (appointed by a meeting of the Board of Directors of JPMSP dated 23 May 2007) to authorise issuances of Instruments at the time of such issuances. The update of the Programme was authorised pursuant to resolutions adopted by the Borrowings Committee of JPMCB on 16 December 2008.
- (2) Each purchaser and transferee of an Instrument will be deemed to have represented by its purchase or receipt of the Instrument that, at the time of purchase or receipt, and throughout the period that it holds the Instrument, it is not an employee benefit plan subject to the U.S. Employee Retirement Income Security Act of 1974 or any entity whose assets are treated as assets of any such employee benefit plan.
- (3) Instruments have been accepted for clearance through the Euroclear France, Euroclear and Clearstream, Luxembourg systems, and may be accepted for clearance through other clearing systems. The Common Code, the International Securities Identification Number (ISIN) and/or identification number for any other relevant clearing system, as the case may be, for each Series of Instruments will be set out in the relevant Final Terms.

The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream, Luxembourg is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg. The address of Euroclear France is 115 rue Réaumur, 75081 Paris Cedex 02, France.

- (4) This Base Prospectus, each supplement hereto, any information incorporated by reference herein and the Final Terms with respect to any issue of Instruments admitted on Euronext Amsterdam by NYSE Euronext will be published on and available electronically from the JPMorgan's website (www.jpmorgansp.com) free of charge during the life of this Base Prospectus. A copy will also be available free of charge from the office of the Issuer, Strawinsky laan 3105, Atrium 7th Floor, 1077 ZX Amsterdam, The Netherlands.
- (5) The following documents, or copies thereof, will be available, during normal business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the relevant Fiscal Agent and at the office of the Dutch Paying Agent:
 - (i) the Articles of Association of JPMSP;
 - (ii) the Articles of Association of JPMCB;
 - (iii) the Agency Agreement;
 - (iv) the Guarantee;
 - (v) any supplement or amendment to any of the foregoing; and
 - (vi) any information incorporated by reference in this Base Prospectus.

Documents will also be available as specified in the Registration Documents.

- (6) To the best of the Issuer's and the Guarantor's knowledge, there has been no material adverse change in the prospects of the Issuer or the Guarantor since the date of the last published audited financial statements of the Issuer and the Guarantor respectively, in each case except as disclosed in the following document incorporated by reference herein (with reference to the relevant document number as used in the chapter "INFORMATION INCORPORATED BY REFERENCE"):

- (A) JPMorgan Chase 2008 Annual Report (Document No.6), including:
 - (i) Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” – “Executive Overview” – 2009 Business Outlook (pages 31-32), and
 - (ii) Part I, Item 1A, “Risk Factors” (pages 4-10).
- (7) To the best of the Issuer's and the Guarantor's knowledge, there are no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's and/or the Guarantor's prospects for their respective current financial years, except as disclosed in the following document incorporated by reference herein (with reference to the relevant document number as used in the chapter “INFORMATION INCORPORATED BY REFERENCE”):
 - (A) JPMorgan Chase 2008 Annual Report (Document No.6), including:
 - (i) Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” – “Executive Overview” – 2009 Business Outlook (pages 31-32), and
 - (ii) Part I, Item 1A, “Risk Factors” (pages 4-10).
- (8) Except as disclosed in the following document incorporated by reference herein (with reference to the relevant document number as used in the chapter 'INFORMATION INCORPORATED BY REFERENCE'):
 - (A) JPMorgan Chase 2008 Annual Report (Document No.6), including:
 - (i) Part I, Item 3, “Legal Proceedings” (pages 11-16),

there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which JPMSP or JPMCB is aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past significant effects, in the context of the issue of the Instruments, on the financial position or profitability of the Issuer, the Guarantor and their respective subsidiaries.
- (9) To the best of the Issuer's and the Guarantor's knowledge, there has been no significant change in the financial or trading position of the Issuer or the Guarantor and their respective subsidiaries since 31 December 2008, the date of their respective most recently published audited financial statements.
- (10) This Base Prospectus prepared in connection with the Securities and the Notes has not been submitted to the clearance procedures of the *Autorité des marchés financiers*.
- (11) No websites that are cited or referred to in this Base Prospectus shall be deemed to form part of, or to be incorporated by reference into, this Base Prospectus.

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