SG STRUCTURED PRODUCTS, INC.
EXCHANGE TRADED FUND-LINKED NOTES

PRODUCT SUPPLEMENT

(To the Offering Memorandum dated July 16, 2013)

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

Société Générale, New York Branch

We, SG Structured Products, Inc. (the "**Issuer**"), an indirect subsidiary of Société Générale, a French banking corporation ("**Société Générale**"), may offer from time to time, pursuant to the offering memorandum dated July 16, 2013 (the "**Offering Memorandum**"), and this product supplement (the "**Product Supplement**"), the Exchange Traded Fund-Linked Notes (each, a "**Note**" and together, the "**Notes**") as part of one or more series of notes, certificates or securities issued by us under the **Program** (as defined herein). The specific terms of each offering of Notes will be set forth in the applicable pricing supplement (the "**Pricing Supplement**"). You should read this Product Supplement, the Offering Memorandum, and the applicable Pricing Supplement carefully before investment in the Notes. If the terms described in this Product Supplement are different or inconsistent with those described in the Offering Memorandum, the terms described in this Product Supplement will govern the Notes. If the terms described in the applicable Pricing Supplement are different or inconsistent with those described herein or in the Offering Memorandum, the terms described in the applicable Pricing Supplement will govern the Notes.

General Terms of the Notes:

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

Early Redemption: Terms of specific Notes may permit or require early redemption at the option of the Issuer ("**Early Redemption**"). Unless otherwise specified in the applicable Pricing Supplement, you may not redeem the Notes prior to Redemption. The applicable Pricing Supplement will indicate the terms of the Early Redemption option, if any.

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

Coupon and Coupon Payments: Unless otherwise specified in the applicable Pricing Supplement, the Notes will not include any coupon payments. The applicable Pricing Supplement may specify whether the Notes pay a coupon based on: (i) movements in the price or value of or other events relating to one or more Reference Shares, (ii) a fixed amount or rate, or (iii) a floating amount or rate.

Reference Share or Reference Shares: The principal, coupons or any other amounts payable or deliverable on the Notes may be based on movements in the price or value per share of, performance of or other events relating to one or more share classes (each, a "**Reference Share**" and together, the "**Reference Shares**") of one or more exchange-traded funds (each, a "**Reference Fund**" and together, the "**Reference Funds**") of one or more trusts or other entities not affiliated with us (each, a "**Reference Issuer**" and together, the "**Reference Issuers**"). Each Reference Fund seeks to provide investment results that, before fees and expenses, correspond generally to the level and yield performance of one or more publicly-traded securities (each, an "**Underlying Security**" and collectively, the "**Underlying Securities**") or an index comprised of publicly-traded securities (the "**Underlying Index**"), as the case may be. The Reference Share or Reference Shares for a particular offering of Notes will be specified in the applicable Pricing Supplement.

Reference Fund Adviser: With respect to a Reference Fund, the applicable Pricing Supplement will specify the relevant Reference Fund Adviser.

Index Sponsor: With respect to an Underlying Index, the applicable Pricing Supplement will specify the relevant Index Sponsor.

Pricing Date: With respect to a Reference Share, the date specified in the applicable Pricing Supplement on which the Initial Share Price for such Reference Share is determined by the Calculation Agent.

Valuation Date: For the purposes of calculating any amounts payable or deliverable on the Notes, which may include any Coupon Payment(s) specified in the applicable Pricing Supplement, the Relevant Price of any Reference Share may be determined by the Calculation Agent on one or more dates specified in the applicable Pricing Supplement. Those dates may be referred to as "Observation Date(s)," "Potential Early Redemption Date(s)," "Averaging Date(s)," "Valuation Date(s)," "Scheduled Trading Days," "Final Valuation Date," "Accelerated Final Valuation Date," "Accelerated Valuation Date," "Pricing Date," or other date(s) as specified in the applicable Pricing Supplement. For purposes of this Product Supplement, these dates shall herein be collectively referred to as the "**Valuation Dates**".

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

Initial Share Price: Unless otherwise specified in the applicable Pricing Supplement, with respect to any Reference Share, the Relevant Price of such Reference Share on the Pricing Date.

Relevant Price: Unless otherwise specified in the applicable Pricing Supplement, with respect to any Reference Share on any Valuation Date for such Reference Share, the Closing Price of such Reference Share on such Valuation Date.

Closing Price: Unless otherwise specified in the applicable Pricing Supplement, with respect to any Reference Share on any Scheduled Trading Day, the official closing price of such Reference Share on the Exchange for such Reference Share on such Scheduled Trading Day.

Exchange: With respect to a Reference Share, the applicable Pricing Supplement will specify the relevant exchange or quotation system for such Reference Share.

Final Share Price: Unless otherwise specified in the applicable Pricing Supplement, with respect to any Reference Share, the Relevant Price of such Reference Share on the last Valuation Date prior to the Redemption Date (the "**Final Valuation Date**").

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

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

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

Investor Eligibility: The applicable Pricing Supplement will specify the Investor Eligibility.

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

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

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

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

Program: We intend to issue from time to time certificates, warrants or notes specified in the Offering Memorandum, including the Notes described herein, having an aggregate notional amount of up to $5,000,000,000 (the "**Program**").

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

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

The Notes involve risks not associated with an investment in ordinary debt securities. See "*Risk Factors*" beginning on page 2 of this Product Supplement, on page 7 of the Offering Memorandum and in the applicable Pricing Supplement.

THE NOTES AND THE SOCIÉTÉ GÉNÉRALE, NEW YORK BRANCH GUARANTEE (THE "GUARANTEE") HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS. THE NOTES ARE BEING OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION CONTAINED IN SECTION 3(a)(2) OF THE SECURITIES ACT.

THE NOTES AND THE GUARANTEE MAY ALSO BE OFFERED AND SOLD (I) IN THE UNITED STATES, ONLY TO PERSONS WHO ARE "ACCREDITED INVESTORS" (AS DEFINED IN RULE 501 OF REGULATION D UNDER THE SECURITIES ACT) IN RELIANCE ON SECTION 4(a)(2) OF THE SECURITIES ACT (THE "4(a)(2) NOTES AND GUARANTEE"), (II) IN THE UNITED STATES, TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT ("RULE 144A NOTES AND GUARANTEE") AND/OR (III) OUTSIDE THE UNITED STATES, IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT ("REGULATION S NOTES AND GUARANTEE"). THE 4(a)(2) NOTES AND GUARANTEE, RULE 144A NOTES AND GUARANTEE AND REGULATION S NOTES AND GUARANTEE HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE STATE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION. THE 4(a)(2) NOTES AND GUARANTEE, RULE 144A NOTES AND GUARANTEE AND REGULATION S NOTES AND GUARANTEE MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON TRANSFERS AND RESALES OF THE 4(a)(2) NOTES AND GUARANTEE, RULE 144A NOTES AND GUARANTEE AND REGULATION S NOTES AND GUARANTEE, SEE "*NOTICE TO INVESTORS*" BEGINNING ON PAGE 50 OF THE OFFERING MEMORANDUM.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION (THE "**SEC**") NOR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED OF THE NOTES OR THE GUARANTEE OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PRODUCT SUPPLEMENT, EACH PRICING SUPPLEMENT AND THE OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES. UNDER NO CIRCUMSTANCES SHALL THIS PRODUCT SUPPLEMENT, THE APPLICABLE PRICING SUPPLEMENT AND THE OFFERING MEMORANDUM CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THESE NOTES OR THE GUARANTEE, IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH JURISDICTION.

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

The Issuer reserves the right to withdraw, cancel or modify the offer and to reject orders in whole or in part. The Notes are expected to be delivered through the facilities of The Depository Trust Company on or about the Issue Date.

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

The date of this Product Supplement is July 16, 2013.

SOCIETE GENERALE

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

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

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

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

You must (i) comply with all applicable laws and regulations in force in any jurisdiction in connection with the possession or distribution of this Product Supplement, the applicable Pricing Supplement and the related Offering Memorandum and the purchase, offer or sale of the Notes and (ii) obtain any consent, approval or permission required to be obtained by you for the purchase, offer or sale by you of the Notes under the laws and regulations applicable to you in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales; neither we, Société Générale, New York Branch, Société Générale, nor any of our or their affiliates shall have any responsibility therefor.

In this Product Supplement, the applicable Pricing Supplement and the accompanying Offering Memorandum, "we," "us" and "our" refer to SG Structured Products, Inc., unless the context requires otherwise.

RISK FACTORS

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

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

In connection with your purchase of the Notes, we urge you to consult your own financial, tax and legal advisers as to the risks involved in an investment in the Notes and to investigate the Reference Share or the Reference Shares, as applicable, and not rely on our views in any respect. You should make a complete investigation as to the merits of an investment in the Notes.

Unless the full return of principal at Redemption or a minimum return on the Notes is specified, you may lose your entire investment amount

Unless the full return of principal at Redemption or a minimum return on the Notes is specified in the applicable Pricing Supplement, no assurance can be given, and none is intended to be given, that you will receive any portion of your initial investment in the Notes. Moreover, any payment to be made on your Notes depends on the Issuer's and the Guarantor's ability to satisfy their obligations as they become due. Accordingly, you may lose some or all of your initial investment.

The Notes are intended to be held to Redemption

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

Issuer and Guarantor credit risk

The Notes are subject to our and the Guarantor's credit risk. Our ability to pay our obligations under the Notes is dependent upon a number of factors, including our and the Guarantor's creditworthiness, financial condition and results of operations. No assurance can be given, and none is intended to be given, that you will receive any amount at Redemption.

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

The Notes and the Guarantee are not registered under the Securities Act or under any state laws. We may offer the Notes (i) pursuant to an exemption from the registration requirements of the Securities Act contained in Section 3(a)(2) of the Securities Act, (ii) in reliance on Section 4(a)(2) under the Securities Act, (iii) in reliance on Rule 144A under the Securities Act, and/or (iv) in reliance on Regulation S under the Securities Act. Neither the SEC nor any state securities commission or regulatory authority has recommended or approved the Notes or the Guarantee, nor has any such commission or regulatory authority reviewed or passed upon the accuracy or adequacy of this Product Supplement, the Offering Memorandum or the applicable Pricing Supplement. The Notes will not be listed on an organized securities exchange or any inter-dealer quotation system. To the extent applicable, transfers of the Notes and Guarantee are, and will be, subject to the transfer restrictions set forth under the heading "*Notice to Investors*" in the Offering Memorandum.

The Notes are not insured by any third parties

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

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

The terms of any particular issuance of Notes, as specified in the applicable Pricing Supplement, may permit or require Early Redemption by us (automatic or otherwise). If the Notes are redeemed or called by us prior to their scheduled maturity, you may be subject to reinvestment risk, whereby it is likely that you will not be able to invest in securities with similar risks, terms and yield as the Notes.

Moreover, in the event of an Early Redemption of the Notes, you will benefit from the features of the Notes only until the date of such Early Redemption, and you will receive no further benefits or payments under the Notes thereafter.

You have no beneficial interest in the Reference Share(s); payments on the Notes will not reflect dividends or distributions on the Reference Share(s)

Investing in the Notes is not equivalent to investing in the Reference Share(s), securities comprising the Underlying Index or Indices, as applicable, or securities tracked by the Reference Fund(s). As an investor in the Notes, you will not have any ownership interest or rights in the Reference Share(s), securities comprising the Underlying Index or Indices, as applicable, or securities tracked by the Reference Fund(s).

Your return on the Notes will not reflect the return you would realize if you actually owned units of the Reference Share(s), securities comprising the Underlying Index or Indices, as applicable, or securities tracked by the Reference Fund(s) and received dividends or contributions, if any, paid on those securities. Therefore, the yield to maturity based on the methodology for calculating the payment at Redemption may be less than the yield that would be produced if the Reference Share(s), securities comprising the Underlying Index or Indices, as applicable, or securities tracked by the Reference Fund(s) were purchased directly and held for a similar period.

The value of any Reference Share and the secondary market price of the Notes will be influenced by many unpredictable factors

Several factors, most of which are beyond our control, may influence the value of any Reference Share during the term of the Notes, the value of the Notes in the secondary market and the price at which SGAS may be willing to purchase or sell the Notes in the secondary market. We expect that generally the Relevant Price of the Reference Share or the Reference Shares, as applicable, will affect the secondary market value of the Notes more than any other single factor. However, the value of the Notes in the secondary market may not vary in proportion to changes in the value of the Reference Share or the Reference Shares, as applicable. Other factors that may influence the value of the Notes include, without limitation:

- interest rates and yield rates in the market;
- the volatility (frequency and magnitude of changes in value) of the Reference Share or the Reference Shares, as applicable;
- the performance of the Reference Share or the Reference Shares prior to Redemption;
- the values or prices of each Underlying Security (or the Underlying Index or Indices, as applicable);
- geopolitical conditions and economic, financial, political, regulatory or judicial events, including, but not limited to, such events in the jurisdictions in which the securities underlying the Underlying Index or Indices, as applicable, or the representative sample(s) of securities comprising the Reference Fund or Funds, as applicable, are traded, that affect capital markets generally and that may affect the Reference Share or the Reference Shares, as applicable, and the Relevant Price(s) of the Reference Share or the Reference Shares, as the case may be;
- supply and demand for the Notes;
- if applicable, our right to redeem the Notes early;

- dividend rates on the securities comprising the Underlying Index or Underlying Indices, as applicable, or securities tracked by the Reference Fund or Reference Funds, as applicable;

- the time remaining to the Redemption of the Notes;

- the creditworthiness of the Issuer and the Guarantor;

- whether a Market Disruption Event (as defined herein) has occurred;

- whether an Extraordinary Event, a Hedging Disruption Event or a Change in Law Disruption Event (each as defined in the section "*Certain Definitions*" herein) has occurred with respect to any Reference Share; and

- the occurrence of certain events affecting any Reference Issuer or any Reference Fund that may or may not require an antidilution adjustment.

Some or all of these factors may influence the price you will receive if you sell your Notes in the secondary market (if any exists) prior to Redemption. For example, you may have to sell your Notes at a substantial discount from the Notional Amount or at a price substantially less than the amount you originally invested in the Notes if the value of the Reference Share has (or one or more Reference Shares have) declined below its (or their) Initial Share Price(s). The impact of any of the factors set forth above may enhance or offset some or all of the changes resulting from another factor or factors.

We cannot predict the future performance of any Reference Share based on its historical performance. We also cannot predict whether the price or value of any Reference Share will fall or rise during the term of the Notes. Past fluctuation and trends in the prices of any Reference Share are not necessarily indicative of fluctuations or trends that may occur in the future.

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

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

In addition, the aggregate Notional Amount of the Notes being offered may not be purchased by investors in the initial offering, and one or more of our affiliates has agreed to purchase any unsold portion. Such affiliate or affiliates intend to hold the Notes, which may affect the supply of the Notes available in any secondary market trading and therefore may adversely affect the price of the Notes in any secondary market trading. If a substantial portion of any Notes held by our affiliates were to be offered for sale following this offering, the market price of such Notes could fall, especially if secondary market trading in such Notes is limited or illiquid.

Under ordinary market conditions, SGAS (or another broker-dealer affiliated with us) intends to maintain a secondary market in the Notes; however, neither SGAS nor any of its affiliates has any obligation to provide a secondary market in the Notes and may cease doing so at any time. Accordingly, we cannot assure you as to the development or liquidity of any secondary market for the Notes. If SGAS or any affiliate does not maintain a secondary market in the Notes, you may not be able to sell your Notes easily or at prices that will provide you with a yield comparable to that of similar securities that have a liquid secondary market.

We will sell the Notes through our affiliate, SGAS; potential conflict of interest

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

Additionally, we may pay SGAS an underwriting fee and, similarly, if SGAS distributes the Notes to or through other broker-dealers or banks, we, SGAS or one of our affiliates may pay such other broker-dealers or banks a fee in connection with their distribution of the Notes. SGAS has discretion to determine the amount of fees paid to such other broker-dealers or banks, and may change them from time to time. Because such fees may negatively impact your investment in the Notes, SGAS's interests with respect to the Notes may be adverse to yours.

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

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

Assuming no change in market conditions or any other relevant factors, the price, if any, at which SGAS may be willing to purchase the Notes in secondary market transactions will likely be lower than the price at which you purchased the Notes (even if the Closing Price(s) of the (or each) Reference Share is not below its Initial Share Price). This is because such price included, and secondary market prices are likely to exclude, commissions paid with respect to the Notes, as well as the projected profit included in the cost of hedging our obligations under the Notes. In addition, any such prices may differ from values determined by pricing models used by SGAS, as a result of dealer discounts, mark-ups or other transaction costs. See also "*Risk Factors—Risks relating to each Reference Share*" herein.

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

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

Postponement of a Valuation Date and, if applicable, the Redemption Date upon a Market Disruption Event could adversely affect the return on the Notes

Unless otherwise specified in the applicable Pricing Supplement, if, on any Valuation Date for a Reference Share, there is no Market Disruption Event (as defined in the section "*Certain Definitions – Market Disruption Event*") with respect to such Reference Share, the determination of the Relevant Price of such Reference Share will be made on such Valuation Date, even if the Notes are linked to a basket of Reference Shares and one or more of other Reference Shares experience a Market Disruption Event on such Valuation Date.

Unless otherwise specified in the applicable Pricing Supplement, if, on any Valuation Date, a Market Disruption Event occurs in respect of any Reference Share as described more fully in the section "*Description of Notes—Market Disruption Event*" herein, then such Valuation Date for such Reference Share (and only for such Reference Share) will be postponed until the immediately succeeding Scheduled Trading Day for such Reference Share on which no Market Disruption Event occurs in respect of such Reference Share. However, if a Market Disruption Event for a Reference Share exists on eight consecutive Scheduled Trading Days with respect to any Valuation Date for such Reference Share, the eighth Scheduled Trading Day will be the Valuation Date for such Reference Share. In that case, the Calculation Agent will determine the Relevant Price on such date in accordance with the section "*Description of Notes—Market Disruption Event*" herein.

If the Final Valuation Date or Accelerated Final Valuation Date in respect of one or more Reference Shares is postponed, then the applicable Redemption Date will be postponed until the fifth Business Day following the last postponed Final Valuation Date or Accelerated Final Valuation Date to occur in respect of any Reference Share.

Therefore, a Market Disruption Event with respect to a Reference Share that occurs on the Final Valuation Date or Accelerated Final Valuation Date for such Reference Share, as applicable, will affect (i) the timing of when the Final Share Price is determined for such Reference Share and (ii) the timing of the applicable Redemption Date. Therefore, such Market Disruption Event could adversely affect the timing of any payment at Redemption and the return (if any) on the Notes.

The determination of the Final Share Price for any Reference Share may be made early upon the occurrence of an Extraordinary Event, which could adversely affect the value of and the return on the Notes

If, during the term of the Notes, an Extraordinary Event (as defined in the section "*Certain Definitions – Extraordinary Event*" herein) occurs with respect to a Reference Share, and the Calculation Agent determines that such an event would cause a Hedging Disruption (as defined in the section "*Certain Definitions*" herein), the Final Valuation Date for such Reference Share (and only such Reference Share) will be accelerated to the applicable Announcement Date or Approval Date, as the case may be, for such Extraordinary Event (or, if later, the date on which the Hedging Disruption Event would exist), and the Calculation Agent will calculate the Final Share Price for such Reference Share in accordance with the section "*Description of the Notes – Effects of Extraordinary Events*" herein. Therefore, in the case of a Hedging Disruption Event caused by an Extraordinary Event with respect to a Reference Share, performance of such Reference Share (and only such Reference Share) will be measured only from the Pricing Date to the applicable Announcement Date or Approval Date, as the case may be, (or, if later, the date on which the Hedging Disruption Event would exist), and not for the entire term of the Notes. You may, in this event, receive a return that is less, perhaps substantially, than you would have received had such Hedging Disruption Event not occurred with respect to such Reference Share. ***However, in such instance, the Maturity Date will not be accelerated.*** In other words, although the Final Valuation Date in respect of the affected Reference Share will be accelerated, you will not be entitled to any early payments in the case of a Hedging Disruption Event with respect to any Reference Share and, other than the coupons payable on the Notes (if any), you will not receive any interest on any portion of your initial principal investment due to such acceleration of the Final Valuation Date for the remaining term of the Notes. In the event that the Final Valuation Date is accelerated due to a Hedging Disruption Event, your investment in the Notes may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

The determination of the Final Share Price for any Reference Share may be made early upon the occurrence of a Change in Law Disruption Event, which could adversely affect your return on the Notes

During the term of the Notes, a Change in Law Disruption Event may occur with respect to any Reference Share. This would generally be deemed to have occurred should the adoption of or change in any applicable law or regulation prevent us or any of our affiliates from performing our or its duties hereunder or hedging our or its obligations hereunder, or materially increase the costs of such performance or hedging, in connection with such Reference Share (see "*Certain Definitions—Change in Law Disruption Event*" herein for more details). If the Calculation Agent determines that a Change in Law Disruption Event has occurred with respect to a Reference Share, the Final Valuation Date for such Reference Share (and only for such Reference Share) will be accelerated to the day on which such Change in Law Disruption Event has occurred, and the Final Share Price for such Reference Share will be determined by the Calculation Agent in accordance with the section "*Description of the Notes - Change in Law*" herein.

Therefore, in the case of a Change in Law Disruption Event with respect to a Reference Share, the performance of such Reference Share (and only such Reference Share) will be measured only from the Pricing Date to the Accelerated Final Valuation Date, and not for the entire term of the Notes. You may, in this event, receive a return that is less, perhaps substantially, than you would have received had the Change in Law Disruption Event not occurred with respect to such Reference Share. ***However, in such instance, the Maturity Date will not be accelerated.*** That is, although the Final Valuation Date in respect of the affected Reference Share will be accelerated, you will not be entitled to any early payments in the case of a Change in Law Disruption Event with respect to any Reference Share and, other than the coupons payable on the Notes (if any), you will not receive any interest on any portion of your initial principal investment due to such acceleration of the Final Valuation Date for the remaining term of the Notes. In the event that the Final Valuation Date is accelerated due to a Change in Law Disruption Event, your investment in the Notes may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

There is limited antidilution protection

The Calculation Agent will adjust various terms specified in the applicable Pricing Supplement (including the Initial Share Price or any other variables or a combination of terms) for certain events affecting any

Reference Issuer or any Reference Fund, such as dividends, extraordinary dividends and certain other corporate actions that affect such Reference Fund or such Reference Issuer, as applicable, such as All-Share Merger Event or Potential Adjustment Event (each as defined in the section "*Certain Definitions*" herein). We describe the specific corporate events that can lead to these adjustments in the section "*Description of Notes—Events Requiring an Antidilution Adjustment*" herein.

However, the Calculation Agent is not required to make an adjustment for every event or action by a Reference Issuer, a Reference Fund, a Reference Fund Adviser or a third party that may adversely affect the Closing Price or the Relevant Price of a Reference Share and, therefore, may adversely affect the value of or final payout under the Notes. For example, the Calculation Agent is not required to make any adjustments if a Reference Issuer or anyone else makes a limited partial tender or partial exchange offer for a Reference Share or a Reference Fund.

The Calculation Agent will not make adjustments for corporate events that affect the securities underlying any Reference Share, representative sample of securities tracked by a Reference Fund or securities comprising any Underlying Index, as the case may be.

To the extent applicable, an Index Sponsor might make adjustments to the relevant Underlying Index to account for corporate events affecting one or more securities comprising such Underlying Index, but the value of the related Reference Share, and consequently the value of the Notes, could still be adversely affected by such events even if such adjustments are made.

A Reference Share may be replaced by shares or units from an exchange-traded fund other than the relevant Reference Fund or of an entity other than the relevant Reference Issuer

Following a stock-for-stock merger where any Reference Issuer or any Reference Fund is not the surviving entity, the Calculation Agent may substitute the shares of the surviving entity as the relevant Reference Share and may adjust the terms of the Notes to account for the economic effect of such merger. If the Calculation Agent makes such a substitution, you may receive an amount at Redemption based on the Closing Price or Relevant Price of such new Reference Share. We describe the specific corporate events that can lead to these adjustments in "*Description of Notes—Events Requiring an Antidilution Adjustment*" herein. The occurrence of such a corporate event and the consequent adjustments may materially and adversely affect the market price of and the return on the Notes.

Fluctuations in foreign exchange rates may adversely affect the return on the Notes

Unless otherwise specified in the applicable Pricing Supplement, the Notes and all of their principal terms based on which a payment will be determined (such as the Initial Share Price, the Relevant Price, the Notional Amount and the Final Share Price) are denominated in U.S. dollars. If any of the securities tracked by any Reference Fund or any of the securities comprising an Underlying Index, as applicable, is quoted and traded in a local currency other than the U.S. dollar, fluctuations in the exchange rate between the local currency of the securities tracked by such Reference Fund or securities comprising an Underlying Index, as applicable, and the U.S. dollar may indirectly affect the U.S. dollar price at which the relevant Reference Share is quoted and traded and, as a result, may affect the Relevant Price of such Reference Share, which in turn affects the value of and ultimate payout under the Notes.

In recent years, rates of exchange between the U.S. dollar and various foreign currencies have been highly volatile and this volatility may continue in the future. However, fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative of fluctuations that may occur during the term of the Notes.

Time differences between domestic and international markets may create discrepancies in the market value of the Notes

For Reference Shares traded in international markets, time differences between the domestic and international markets may result in discrepancies between the price of the Reference Shares and the market value of the Notes. To the extent that U.S. markets are closed while international markets for the Reference Shares remain open, significant price or rate movements may take place in the Reference Shares that will not be reflected immediately in the domestic market value of the Notes. Similarly, when the relevant international markets are closed for trading, the price of the Reference Shares may remain unchanged for one or more trading days in the U.S. market.

Certain business activities may create conflicts with your interests

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

We, the Guarantor and/or one or more of our or its affiliates may have published, and may in the future publish, research reports relating to the Reference Share(s) or the Reference Issuer(s). This research is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Notes. Any of these activities may affect the prices of the Reference Share(s) and, therefore, the value of the Notes.

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

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

Hedging and trading activity could potentially adversely affect the value of the Notes

In the ordinary course of business, whether or not we or our affiliates engage in any secondary market making activities, we, the Guarantor or one or more of our or its affiliates may effect transactions for our or its own account or for the account of our or its customers, including holding long or short positions in one or more Reference Shares and/or related derivatives. In addition, in connection with the offering of the Notes and during the term of the Notes, we, the Guarantor or one or more of our or its affiliates may enter into one or more hedging transactions relating to one or more Reference Shares and/or related derivatives. In connection with any of such hedging or any market-making activities or with respect to proprietary or other such trading activities, we, the Guarantor and/or our or its affiliates may enter into transactions in one or more Reference Shares and/or related derivatives, which may affect the market price, liquidity or value of such Reference Share(s), and, therefore, the value of the Notes. We, the Guarantor and/or any of our or its affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or related to changes in the performance of one or more Reference Shares. Any of the situations herein may result in consequences which may be adverse to your interests in the Notes. We and the Guarantor assume no responsibility whatsoever for such consequences and their impact on your investment.

The Indenture (as defined herein) does not contain any restrictions on our ability or the ability of any of our affiliates to sell, pledge or otherwise convey all or any securities. Neither we nor the Guarantor nor any of our affiliates will pledge or otherwise hold any security for the benefit of holders of the Notes. Consequently, in the event of a bankruptcy, insolvency or liquidation involving us or the Guarantor, as the case may be, any securities we hold as a hedge to the Notes will be subject to the claims of our creditors generally and will not be available specifically for the benefit of the holders of the Notes.

Tax Treatment

For a discussion of the U.S. federal income tax consequences of your investment in a Note, please see the discussion under the heading "*Certain U.S. Federal Income Tax Considerations*" herein and any additional discussion in the applicable Pricing Supplement.

Additional risks relating to Notes with more than one Reference Share or a basket involving one or more Reference Shares

The prices or values of the Reference Shares (or components in the basket) may not move in tandem; return on the Notes may not reflect the full performance of the Reference Shares (or components in the basket)

Price or value movements in the Reference Shares (or components in the basket) may not move in tandem with each other and, therefore, your return on the Notes may not reflect the full performance of the Reference Shares (or components in the basket) during the term of the Notes. Unless otherwise specified in the applicable Pricing Supplement, the positive performance of any Reference Share (or any components in the basket) will be offset, or moderated, by negative or lesser positive performances of the other Reference Shares (or other components in the basket). As a result, the payment (if any) at Redemption and the value of the Notes may be adversely affected even if the prices or values of some of the Reference Shares (or components in the basket) increase during the term of the Notes.

Furthermore, to the extent the weighting applicable to any Reference Share (or any component in the basket) is greater than the weightings applicable to other Reference Shares (or other components) in the basket, poor performance for that Reference Share (or that component in the basket) will have a disproportionately large negative impact on the payment (if any) due on the Notes.

A basket of a limited number of Reference Shares (or components) may be less diversified than a portfolio investing in broader markets, which may adversely affect the market value of the Notes

Because the Notes may be linked to changes in the value of a limited number of Reference Shares (or components in a basket), the basket of Reference Shares (or components) may be less diversified than funds or portfolios investing in broader markets and, therefore, could experience greater volatility than such investments. An investment in the Notes may carry risks similar to a concentrated investment in a limited number of industries, sectors or asset classes.

The correlation among the Reference Shares (or components in the basket) may adversely affect the return on the Notes

Correlation is the term used to describe the relationship among the performance changes of the Reference Shares (or components in the basket). High correlation during the period of negative returns or a change in correlation among the Reference Shares (or components in the basket) could have an adverse impact on the value of and the payment (if any) due on the Notes.

Risks relating to each Reference Share

Each Reference Share may perform in unanticipated ways

The historical performance of each Reference Share does not indicate the future performance of such Reference Share, and it is impossible to predict whether and to what extent the price of each Reference Share will fall or rise during the term of the Notes. Likewise, the past performance of an Underlying Index and the securities comprising such Underlying Index does not indicate the future performance of such Underlying Index or the securities comprising such Underlying Index, and it is impossible to predict whether the values of any Underlying Index or the securities comprising such Underlying Index will fall or rise during the terms of the Notes. Any historical performance information must be considered illustrative only.

The price of each Reference Share will be influenced by political, economic, financial, market and other factors. It is impossible to predict what effect these factors will have on the price of each Reference Share or on the return on the Notes. Market and other factors may cause each Reference Share to act in unanticipated ways.

Market risks may affect the value of the Notes and the amount, if any, you will receive at Redemption

We expect that each Reference Share will fluctuate in accordance with changes in the financial condition of the relevant Reference Fund or Reference Issuer, the equity markets generally and other market factors. The financial condition of one or more Reference Funds and/or Reference Issuers may become impaired or the general condition of the equity markets and/or other relevant markets may deteriorate during the term of the Notes, either of which may have an adverse affect on the Reference Share(s) and, thus, the value of and the return on the Notes.

Moreover, each Reference Share is susceptible to volatile increases and decreases in value, as market confidence in and perceptions regarding such Reference Share change. Any such volatile price movements could adversely affect the value of the Notes. Investor perceptions regarding each Reference Share are based on various and unpredictable factors, including, without limitation, expectations regarding government, economic, monetary and fiscal policies, inflation and interest rates, economic expansion or contraction, and global or regional political, economic and banking crises.

The performance of a Reference Share may not exactly replicate the performance of the relevant Underlying Index; return on the Notes may not reflect the full performance of an Underlying Index

If a Reference Fund seeks to provide investment results that, before fees and expenses, correspond generally to the level and yield performance of an Underlying Index, the correlation between the performance of the related Reference Share and the performance of the Underlying Index may not be perfect. Although the performance of such Reference Fund and the related Reference Share seek to replicate the performance of the Underlying Index, such Reference Fund may not invest in all the securities underlying the Underlying Index but rather may invest in a representative sample of securities underlying the Underlying Index. Also, such Reference Fund and the related Reference Share may not fully replicate the performance of the Underlying Index due to the temporary unavailability of certain securities comprising the Underlying Index. Furthermore, because the related Reference Share is traded on a national securities exchange and is subject to the market supply and demand by investors, the market value of such Reference Share may differ from the net asset value per share of such Reference Fund. Finally, the performance of such Reference Fund and the related Reference Share will reflect transaction costs and fees that are not included in the calculation of the Underlying Index. As a result of the foregoing, the performance of the related Reference Share may not exactly replicate the performance of the Underlying Index.

We obtained the information about each Reference Issuer and each Reference Fund from public filings

We have derived all information in the applicable Pricing Supplement about each Reference Issuer and each Reference Fund from publicly available documents. We have not participated and will not participate in the preparation of any of these documents. Nor have we made or will we make any "due diligence" investigation or any inquiry with respect to any Reference Share, any Reference Issuer or any Reference Fund in connection with the offering of the Notes. We do not make any representation that any publicly available document or any other publicly available information about any Reference Issuer or any Reference Fund is accurate, complete or up-to-date. Furthermore, with respect to each offering of Notes, we do not know whether all events relating to the Reference Issuer(s) and/or Reference Fund(s) occurring before the date of the applicable Pricing Supplement, including events that would affect the accuracy or completeness of the publicly available documents referred to above or the value or price of the Reference Share(s), have been publicly disclosed. Subsequent disclosure of any events of this kind or the disclosure of or failure to disclose material future events by any Reference Issuer or any Reference Fund could affect the value of the Notes and the amount you will receive at Redemption. As a prospective investor in the Notes, you should undertake an independent investigation of each relevant Reference Fund and each relevant Reference Issuer as in your judgment is appropriate in order to make an informed decision with respect to an investment in the Notes linked the applicable Reference Share(s).

Neither the Issuer, Guarantor nor any of their affiliates are affiliated with any Reference Issuer, Reference Fund, Reference Fund Adviser or Index Sponsor

No Reference Issuer, Reference Fund, Reference Fund Adviser or Index Sponsor is an affiliate of ours, the Guarantor or any of our or their affiliates or is involved with any offering of Notes in any way. Consequently, we have no ability to control the actions of any Reference Issuer, any Reference Fund, any Reference Fund Adviser or any Index Sponsor, including any actions of the type that would require the Calculation Agent to adjust the terms of the Notes to account for the economic effect of such corporate actions and, therefore, the payout to you at Redemption. We describe the specific corporate events that can lead to these adjustments in the section "*Description of Notes—Events Requiring an Antidilution Adjustment*" herein. Any of these actions could adversely affect the value of the relevant Reference Share(s) and, correspondingly, adversely affect the market value of the Notes. No Reference Issuer, Reference Fund, Reference Fund Adviser or Index Sponsor has any obligation to consider your interest as an investor in the Notes in taking any corporate actions that might adversely affect the value of your Notes. None of the money you pay for the Notes will go to any Reference Issuer, any Reference Fund, any Reference Fund Adviser or any Index Sponsor. The obligations represented by the Notes are obligations of ours and the Guarantor, and not of any Reference Issuer, any Reference Fund, any Reference Fund Adviser or any Index Sponsor.

A Reference Fund Adviser may adjust the relevant Reference Fund in a way that adversely affects the performance of the relevant Reference Share

Each Reference Fund Adviser is responsible for calculating the net asset value of the relevant Reference Fund. A Reference Fund Adviser can also add, delete or substitute the securities underlying the relevant Reference Fund. Furthermore, a Reference Fund Adviser could change the investment policy of the Reference Fund so that the Reference Fund replicates securities or an index, as applicable, other than the original Underlying Securities or Underlying Index, as the case may be. Any such actions could adversely affect the value of the relevant Reference Share and, therefore, affect the Notes. The Reference Fund Advisers have no obligation to consider your interests in taking such actions.

The Underlying Index or Underlying Securities, as applicable, may be replaced by the relevant Reference Fund during the term of the Notes, which could adversely affect the value of and the return on the Notes

Each Reference Fund will seek to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of an Underlying Index or the Underlying Securities, as the case may be. However, during the term of the Notes, such Reference Fund may replace such Underlying Index or such Underlying Securities, as the case may be, with a different index or one or more other securities, as the case may be. In this case, such successor index or securities, as the case may be, will become the Underlying Index or Underlying Securities, as applicable, and the Notes will continue to be linked to the performance of the related Reference Share. An index or securities replacement by any Reference Fund may impact the Relevant Price of the relevant Reference Share and could adversely impact the value of and the return (if any) on the Notes.

An Index Sponsor may adjust the relevant Underlying Index in a way that adversely affects the level of such Underlying Index and, therefore, the value of the relevant Reference Share

If a Reference Fund seeks to provide investment results that, before fees and expenses, correspond generally to the level and yield performance of an Underlying Index, an Index Sponsor is responsible for calculating and maintaining such Underlying Index. Such Index Sponsor can add, delete or substitute the securities underlying such Underlying Index or make other methodological changes (including changes that could change (perhaps materially) the level of such Underlying Index). You should realize that the changing of securities represented in such Underlying Index may affect such Underlying Index as a newly added security may perform significantly better or worse than the security or securities it replaces. Additionally, such Index Sponsor may alter, discontinue or suspend calculation or dissemination of such Underlying Index. As such Reference Fund seeks to replicate the value of such Underlying Index, any such actions could adversely affect the value of such Reference Fund and the related Reference Share as well as the market value of and the return (if any) on the Notes. Such Index Sponsor has no obligation to consider your interests in calculating or revising the relevant Underlying Index.

Reference Shares may be subject to risks associated with international securities markets

To the extent securities tracked by any Reference Fund or securities comprising the Underlying Index of any Reference Fund, as the case may be, have been issued by non-United States companies, investments in the Notes will involve risks associated with investments in non-United States securities markets. For example, non-United States securities markets may be more volatile than United States securities markets, and market developments may affect those markets differently from the United States markets. Additionally, in non-United States securities markets, there may be a high concentration of market capitalization and trading volume in a small number of issuers representing a limited number of industries, as well as a high concentration of certain types of investors (including investment funds and other institutional investors) in such securities markets. Direct or indirect government intervention to stabilize securities markets outside the United States, as well as cross-shareholdings in certain companies, may affect trading prices and trading volumes in those markets. Also, the public availability of information concerning the issuers of non-United States securities will vary depending on their home jurisdiction and the reporting requirements imposed by their respective regulators. There is generally less publicly available information about international companies compared to U.S.-based companies subject to SEC reporting requirements. In addition, such issuers may be subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to United States reporting companies.

The prices of securities in non-United States markets may be affected by political, economic, financial and social factors in such markets. These factors, which could negatively affect foreign securities markets, include the possibility of changes in a foreign government's economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other laws or restrictions applicable to foreign companies or investments in foreign securities and the possibility of fluctuations in the rate of exchange between currencies. Moreover, foreign economies may differ favorably or unfavorably from the United States economy in important respects such as growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency.

Therefore, to the extent securities tracked by any Reference Fund or securities comprising the Underlying Index of any Reference Fund, as the case may be, have been issued by non-United States companies, such Reference Fund and, therefore, the related Reference Share may be subject to significantly greater risk and volatility than had it been comprised only of the securities of or an index that tracks the securities of United States companies. In such instance, any or all of these factors could have an adverse impact on the performance of such Reference Fund and the related Reference Share, and could, therefore, negatively affect the market value of and the amount payable (if any) on the Notes.

The policies of the Exchange on which a Reference Share is traded may affect the price of such Reference Share

The policies of an Exchange concerning the manner in which the price of any Reference Share is determined or reported may affect the performance of such Reference Share. No Exchange or Related Exchange (as defined herein) is an affiliate of ours, the Guarantor, SGAS or any of our or their affiliates. Consequently, we have no ability to control or predict the actions of any such Exchange or Related Exchange. An Exchange for any Reference Share may also from time to time change any rule or bylaw or take emergency action under its rules, any of which may affect the value of such Reference Share. An Exchange for any Reference Share may delist such Reference Share at anytime or discontinue or suspend calculation or dissemination of information relating to such Reference Share. Any such actions could affect the value of and the return on the Notes. See "*Description of the Notes—Effects of Extraordinary Events*" herein.

Risks specifically relating to any Reference Share that tracks the performance of one or more Underlying Securities that are publicly traded commodities

To the extent that a Reference Fund seeks to provide investment results that, before fees and expenses, correspond generally to the level and yield performance of one or more publicly-traded commodities or an Underlying Index comprised of one or more publicly-traded commodities, the performance of the Notes will be subject to risks similar to those of any investment in commodities, including the risk that the general value of commodities may decline. The following is a list of some of the significant risks affecting a Reference Share tracking the performance of one or more Underlying Securities that are publicly traded commodities:

- The policies of a relevant Exchange concerning the manner in which the value of any Underlying Security or any component of the Underlying Index, as applicable, is calculated may negatively affect the performance of such Underlying Security or such component of the Underlying Index, as applicable, and therefore, the performance of the relevant Reference Fund and the related Reference Share. No Exchange is an affiliate of ours, Société Générale, SGAS or any of our and their affiliates, and we, Société Générale, SGAS and our affiliates have no ability to control or predict the actions of any Exchange. Any Exchange may also from time to time change any rule or bylaw or take emergency action under its rules, any of which may affect the value of one or more Underlying Securities or one or more components of an Underlying Index, as applicable, and, therefore, the value of the relevant Reference Fund and the related Reference Share. An Exchange may discontinue or suspend calculation or dissemination of information relating to any Underlying Security or any component of an Underlying Index. Any such actions could adversely affect the value of the relevant Reference Fund, the related Reference Share and the Notes.

- The markets for the futures contracts of the commodities are subject to temporary distortions, extreme price variations or other disruptions due to conditions of illiquidity in the markets, the participation of speculators, government regulation and intervention.

- U.S. futures exchanges and some foreign exchanges have regulations that limit the amount of fluctuation in futures contract prices which may occur during a single business day. Limit prices may have the effect of precluding trading in a particular contract or forcing liquidation of contracts at disadvantageous items or prices. These circumstances could adversely affect the value of any Underlying Security or any component of any Underlying Index, as applicable, the relevant Reference Fund, the related Reference Share and the Notes.

- Prices of commodities and commodity futures contracts may be adversely affected by the promulgation of new laws or regulations or by the reinterpretation of existing laws or regulations (including, without limitation, those relating to taxes and duties on commodities) by one or more governments, governmental agencies or instrumentalities, courts or other official bodies. Any such event could adversely affect the value of any Underlying Security or any component of any Underlying Index and, correspondingly, could adversely impact the performance of the relevant Reference Fund and the related Reference Share and, thus, the value of the Notes.

- Commodities values, and therefore values of any Underlying Security or any component of any Underlying Index, as applicable, are subject to volatile movements over short periods of time and are affected by numerous factors, including, among other things, the structure of and confidence in the global monetary system, expectations of the future rate of inflation, the relative strength of the U.S. dollar, interest rates and borrowing and lending rates, global and regional economies, global industrial demand, financial, political, regulatory, judicial and other events, war (or the cessation thereof), development of substitute products, terrorism, weather, supply, price levels, global energy levels, production levels, production costs, and delivery costs. Such political, economic and other developments that adversely affect the value of any Underlying Security or any component of any Underlying Index, as applicable, may also negatively affect the performances of the relevant Reference Fund and the related Reference Share and, thus, the value of the Notes.

- The value of any Underlying Security or any component of any Underlying Index, as applicable, can fluctuate widely due to supply and demand disruptions in major producing or consuming regions. In particular, recent growth in industrial production and gross domestic product has made certain emerging economies an oversized user of commodities and has increased the extent to which the value of any Underlying Security or any component of any Underlying Index, as applicable, and, therefore, the value of the relevant Reference Fund and the related Reference Share are connected to the foreign markets. Political, economic and other developments that adversely affect such markets may negatively affect the value of any Underlying Security or any component in any Underlying Index, the performance of the relevant Reference Fund and the related Reference Share and the value of the Notes. Because one or more Underlying Securities or one or more components of any Underlying Index may be produced in a limited number of countries and are controlled by a small number of producers, political, economic and supply related events in such countries could have a disproportionate impact on the value of such Underlying Securities or such components of such Underlying Index, as applicable, the value of the relevant Reference Fund and the related Reference Share and the value of the Notes.

DESCRIPTION OF THE NOTES

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

A. Description of the Notes

1. General

The Notes are one of a duly authorized series of Notes of the Issuer issued under an Indenture (the "**Indenture**"), dated as of June 21, 2006, among the Issuer, SGNY and The Bank of New York, as Trustee (the "**Trustee**," which term includes any successor trustee under the Indenture). The Indenture sets forth the respective rights, limitations of rights, duties and immunities of the Issuer, SGNY, the Trustee and Holders (as defined herein in the section "*Certain Definitions – Holder*" herein) of each series of Notes and the terms upon which each series of Notes are, and are to be, authenticated and delivered. To the extent not inconsistent herewith, the terms of the Indenture are hereby incorporated by reference herein. All terms used in the Note, which are defined in the Indenture and not otherwise defined herein, will have the meanings assigned to them in the Indenture.

Unless otherwise specified in the applicable Pricing Supplement, each Reference Share used to determine the payment to a Holder at Redemption will be at the time the Notes are issued the share or other securities of a Reference Fund of a Reference Issuer that (i) is not affiliated with us and (ii) is registered under the Investment Company Act of 1940 (as amended). At the time that we issue the Notes, the Reference Share will be listed on a national securities exchange or quoted on an automated inter-dealer market.

No provision of the Note or of the Indenture will alter or impair the obligation of the Issuer to pay or deliver all amounts under the Note when and as they become due and payable or deliverable at Redemption as prescribed in this Product Supplement and in the applicable Pricing Supplement, unless otherwise agreed between the Issuer and the Holder of the Note. Subject to the section "*Description of the Notes – General Terms of the Notes*" in the Offering Memorandum, the Notes specified herein will be the Issuer's direct, general, unconditional, unsecured and unsubordinated obligation, will rank *pari passu* without any preference among themselves and will rank *pari passu* among, and be of the same series with, all of the Issuer's other unconditional, unsecured and unsubordinated obligations issued under the Program.

The Guarantee is a direct, general, unconditional, unsecured and unsubordinated obligation of the Guarantor and ranks *pari passu* with all other unconditional, unsecured and unsubordinated obligations of the Guarantor, except those mandatorily preferred by law.

The offering of the Notes is being made by SG Americas Securities, LLC ("**SGAS**") pursuant to FINRA Rule 5121.

No sinking fund is provided for the Note.

Unless otherwise specified in the applicable Pricing Supplement, the Note may not be redeemed by a Holder prior to Redemption.

2. Final Payment

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

3. Coupon Payments

Unless otherwise specified in the applicable Pricing Supplement, no periodic coupon is payable with respect to the Notes.

4. Payment at Redemption and Notice Prior to Payment

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

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

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

5. Calculation Agent

Société Générale will act as the Calculation Agent pursuant to the Calculation Agent and Funding Agreement dated August 22, 2006. All determinations made by the Calculation Agent will be at the sole discretion of the Calculation Agent and will, in the absence of manifest error, be conclusive for all purposes and binding on the Holder and the Issuer. Société Générale is obligated to carry out its duties and functions as Calculation Agent in good faith and using its reasonable judgment. The Issuer may appoint a different Calculation Agent from time to time after the Issue Date of the Note of any issuance without the Holder's consent and without notifying the Holder.

6. Events of Default

Under the Indenture, an Event of Default, wherever used herein with respect to the Notes, means any one of the events (whatever the reason for such Event of Default and whether it will be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) as specified in the section "*Description of the Notes—Events of Default and Remedies; Wavier of Past Defaults*" in the Offering Memorandum.

7. Acceleration

If an Event of Default with respect to the Notes shall have occurred and be continuing (other than an Event of Default specified in clauses (iv) or (v) in the section "*Description of the Notes—Events of Default and Remedies; Waiver of Past Defaults*" in the Offering Memorandum), the Notes may be accelerated by Holders of a majority of the outstanding Notional Amount of the Notes to the Accelerated Maturity Date.

If an Event of Default with respect to the Notes shall have occurred as specified in clauses (iv) or (v) in the section "*Description of the Notes—Events of Default and Remedies; Waiver of Past Defaults*" in the Offering Memorandum, then all payments or deliveries on the Notes will automatically accelerate to the Accelerated Maturity Date.

In the event of an acceleration, the amount payable or deliverable on the Accelerated Maturity Date will be as provided in *Section 2 (Final Payment),* subject to the terms of the paragraph below; provided that in the event of an acceleration as a result of an Event of Default as specified in clause (ii) of the section "*Description of the Notes—Events of Default and Remedies; Waiver of Past Defaults*" in the Offering

Memorandum, the amount payable or deliverable, if any, shall be the amount originally due on the Maturity Date or the Accelerated Maturity Date, as the case may be.

In determining the amount, if any, payable or deliverable on the Accelerated Maturity Date, the accelerated Final Share Price (subject to adjustment as a result of a Market Disruption Event as described in *Section 9 (Market Disruption Event)*), will be determined on the Accelerated Final Valuation Date, and the Accelerated Maturity Date will be the fifth Business Day following the Accelerated Final Valuation Date.

8. Notice of Acceleration

In the event of acceleration, the Issuer will provide a notice of such acceleration to the Trustee as promptly as possible and in no event later than two Scheduled Trading Days after the date of such acceleration.

9. Market Disruption Event

Unless otherwise specified in the applicable Pricing Supplement, if, on any Valuation Date for a Reference Share, there is no Market Disruption Event (as defined in the section "*Certain Definitions – Market Disruption Event*" herein) with respect to such Reference Share, the determination of the Relevant Price of such Reference Share will be made on such Valuation Date, even if the Notes are linked to a basket of Reference Shares and one or more of other Reference Shares experience a Market Disruption Event on such Valuation Date.

Unless otherwise specified in the applicable Pricing Supplement, if a Market Disruption Event occurs with respect to a Reference Share on any Valuation Date for such Reference Share, that Valuation Date for such Reference Share (and only for such Reference Share) will be postponed until the immediately succeeding Scheduled Trading Day for such Reference Share on which no Market Disruption Event occurs in respect of such Reference Share. However, if a Market Disruption Event for such Reference Share exists on eight consecutive Scheduled Trading Days beginning on and including the scheduled Valuation Date, the eighth Scheduled Trading Day will be such Valuation Date for such Reference Share and the Calculation Agent will determine the Relevant Price for such Reference Share on such date based on the fair market value of such Reference Share as determined by the Calculation Agent in its sole discretion (which may be based on the price of such Reference Share at which we, the Guarantor or one or more of our or its affiliates acquire, establish, re-establish, maintain, substitute, unwind or dispose of any hedging transaction(s) in respect of the Notes and such Reference Share). In such case, the Relevant Price for such Reference Share on such eighth Scheduled Trading Day may also be the latest available quotation or Closing Price for such Reference Share during the period from, and including, the scheduled Valuation Date that was postponed to, and including such eighth Scheduled Trading Day. No additional payment will be payable because of such postponement.

If any Valuation Date is not a Scheduled Trading Day for a Reference Share, then such Valuation Date for such Reference Share will be the next day following the scheduled Valuation Date that is a Scheduled Trading Day for such Reference Share. No additional payment will be payable because of such postponement.

10. Note Provisions to Control

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

11. Defined Terms

All terms used in a Note, which are defined in the Indenture and not otherwise defined herein, have the meanings assigned to them in the Indenture.

12. Change in Law

If the Calculation Agent determines that a Change in Law Disruption Event has occurred with respect to a Reference Share, then the Final Valuation Date for such Reference Share (and only for such Reference Share) may be accelerated by the Calculation Agent to the date on which such Change in Law Disruption Event occurred. In such circumstance, the Final Share Price for the affected Reference Share (and only for such Reference Share) will be the Closing Price for such Reference Share as of the Accelerated Final Valuation Date. To the extent the Calculation Agent determines in its sole discretion that it is commercially unreasonable to determine the Final Share Price of such Reference Share in the foregoing manner, it will determine the Final Share Price, in its sole discretion, for such Reference Share (and only for such Reference Share) based on its reasonable determination of the fair market value of such Reference Share (which may be based on the price of such Reference Share at which we, the Guarantor or one or more of our or its affiliates acquire, establish, re-establish, maintain, substitute, unwind or dispose of any hedging transaction(s) in respect of the Notes and such Reference Share). However, although a Change in Law Disruption Event with respect to a Reference Share will lead to an acceleration of the Final Valuation Date for such Reference Share, it shall not cause an acceleration of the Maturity Date.

13. Replacement of the Underlying Index or any Underlying Securities by any Reference Fund

During the term of the Notes, a Reference Fund may replace the relevant Underlying Index or any relevant Underlying Securities, as the case may be, with a different index or one or more other securities, as the case may be. In this case, the successor index or securities, as the case may be, will become the Underlying Index or the Underlying Securities, as applicable, and the Notes will continue to be linked to the performance of the related Reference Share.

B. Effects of Extraordinary Events

Effect of a Merger Event (other than an All-Share Merger Event)

If a Merger Event (other than an All-Share Merger Event) involving a Reference Issuer occurs, then for purposes of determining the Relevant Price of the affected Reference Share on each remaining Valuation Date, the Relevant Price of the affected Reference Share on such Valuation Date shall be equal to the Exchange Property Value (as defined in the section "*Certain Definitions*" herein), as determined by the Calculation Agent in its sole discretion, on such Valuation Date.

Effect of Nationalization, Insolvency or Delisting Event

If a Nationalization or Insolvency involving a Reference Issuer or a Reference Fund, as the case may be, occurs, then for purposes of determining the Relevant Price of the affected Reference Share on each remaining Valuation Date the following will apply:

i. if a Nationalization or Insolvency occurs with respect to such Reference Issuer or Reference Fund, as applicable, and the holders of the shares of the affected Reference Share have received Consideration Property (as defined in the section "*Certain Definitions*" herein) in respect of their shares as a result of such Nationalization or Insolvency, the Relevant Price of the affected Reference Share on such Valuation Date shall be equal to the Consideration Property Value, as determined by the Calculation Agent in its sole discretion, on such Valuation Date;

ii. if a Nationalization or Insolvency occurs with respect to such Reference Issuer or Reference Fund, as applicable, and (A) the holders of the shares of the affected Reference Share have not received Consideration Property in respect of their shares as a result of such Nationalization or Insolvency and (B) the Closing Price of the affected Reference Share is reported or available on the relevant Exchange on such Valuation Date, the Relevant Price of the affected Reference Share on such Valuation Date will be determined by the Calculation Agent in the same general manner as if no Nationalization or Insolvency had occurred; *provided that*, to the extent the Calculation Agent determines in its sole discretion that it is commercially unreasonable to determine the Relevant Price of the affected Reference Share on such Valuation Date in the foregoing manner, the Relevant Price of the affected Reference Share on such Valuation Date will be the fair market value of such Reference Share as determined by the Calculation Agent in its sole discretion (which may be based on the price of such Reference Share at which we, the Guarantor or one or more of our or its affiliates acquire, establish, re-establish, maintain, substitute, unwind or dispose of any hedging transaction(s) in respect of the Notes and such Reference Share); and

iii. if a Nationalization or Insolvency occurs with respect to such Reference Issuer or Reference Fund, as applicable, and (A) the holders of the shares of the affected Reference Share have not received Consideration Property in respect of their shares as a result of such Nationalization or Insolvency and (B) the Closing Price of the affected Reference Share is not reported or available on the relevant Exchange on such Valuation Date, the Relevant Price of the affected Reference Share on such Valuation Date will be the fair market value of such Reference Share as determined by the Calculation Agent in its sole discretion (which may be based on the price of such Reference Share at which we, the Guarantor or one or more of our or its affiliates acquire, establish, re-establish, maintain, substitute, unwind or dispose of any hedging transaction(s) in respect of the Notes and such Reference Share).

If a Delisting Event occurs with respect to a Reference Share, then for purposes of determining the Relevant Price of such Reference Share on each remaining Valuation Date the following will apply:

(i) if such Reference Share is not re-listed on any exchange or quotation system located in the same country as the relevant Exchange, the Relevant Price of such Reference Share on such Valuation Date will be the fair market value of such Reference Share as determined by the Calculation Agent in its sole discretion (which may be based on the price of such Reference Share at which we, the Guarantor or one or more of our or its affiliates acquire, establish, re-establish, maintain, substitute, unwind or dispose of any hedging transaction(s) in respect of the Notes and such Reference Share); and

(ii) if such Reference Share is re-listed on any exchange or quotation system located in the same country as the relevant Exchange, the Relevant Price of such Reference Share on such Valuation Date will be the official closing price of such Reference Share reported on such exchange or quotation system on such Valuation Date, as determined by the Calculation Agent in its sole discretion.

Hedging Disruption due to an Extraordinary Event

If the Calculation Agent determines that any Extraordinary Event with respect to any Reference Share would cause a Hedging Disruption, then the Final Valuation Date for such Reference Share (and only for such Reference Share) will be accelerated to the applicable Announcement Date (for a Nationalization, Insolvency or a Delisting Event) or Approval Date (for a Merger Event) or, if later, the date the Calculation Agent determines that a Hedging Disruption Event would exist. In such a circumstance, the Final Share Price of such Reference Share shall be (in lieu of a published price for such Reference Share) the fair market value of such Reference Share as determined by the Calculation Agent in its sole discretion (which may be based on the price of such Reference Share at which we, the Guarantor or one or more of our or its affiliates acquire, establish, re-establish, maintain, substitute, unwind or dispose of any hedging transaction(s) in respect of the Notes and such Reference Share). ***However, although a Hedging Disruption will lead to an acceleration of the Final Valuation Date for such Reference Share, it shall not cause an acceleration of the Maturity Date.*** See "*Risk Factors – The determination of the Final Share Price for any Reference Share may be made early upon the occurrence of an Extraordinary Event, which could adversely affect the values of and the return on the Notes*" in this Product Supplement.

Upon making any such acceleration, the Calculation Agent will give notice as soon as practicable to the Trustee, stating the acceleration. The Calculation Agent will provide information about such acceleration upon a written request of the Holder.

C. Events Requiring an Antidilution Adjustment

If an All-Share Merger Event occurs with respect to a Reference Issuer or a Reference Fund, as applicable, then the affected Reference Share will thereafter be the class of shares (the "**New Reference Share**") which a holder of shares of the affected Reference Share immediately prior to the occurrence of the All-Share Merger Event would be entitled to receive upon consummation of such All-Share Merger Event. The continuing entity in, or as a result of, such All–Share Merger Event will be the Reference Issuer or Reference Fund, as applicable, for the New Reference Share. In addition, the Calculation Agent will, as soon as reasonably practicable after it becomes aware of such event, determine whether such All-Share Merger Event has a diluting or concentrative effect on the theoretical value of one share of the affected Reference Share and, if so, will (i) make the corresponding adjustment(s), if any, to the Initial Share Price for the affected Reference Share and any other variables relevant to the terms of the Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect, and (ii) determine the effective date(s) of the adjustment(s).

If a Potential Adjustment Event occurs with respect to a Reference Share, then the Calculation Agent will, as soon as reasonably practicable after it becomes aware of such event, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of one share of such Reference Share and, if so, will (i) make the corresponding adjustment(s), if any, to the Initial Share Price for such Reference Share and any other variables relevant to the terms of the Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect, and (ii) determine the effective date(s) of the adjustment(s).

Upon making any such adjustment(s), the Calculation Agent will give notice as soon as practicable to the Trustee, stating the adjustment(s) made. The Calculation Agent will provide information about the adjustments it makes upon a written request of the Holder.

If more than one event requiring adjustment(s) occurs with respect to a Reference Share, the Calculation Agent will make such adjustment(s) for each event in the order in which the events occur, and on a cumulative basis. Thus, having adjusted the Initial Share Price for such Reference Share or any other variables (or any combination thereof) for the first event, the Calculation Agent will adjust the appropriate variables for the second event, applying the required adjustment(s) cumulatively.

Only in the case of a Potential Adjustment Event (and only in such case), the Calculation Agent will not have to adjust the Initial Share Price or any other variable unless the adjustment would result in a change of at least 0.1% of the unadjusted amount. The Initial Share Price or other variable resulting from any adjustment will be rounded up or down, as appropriate, to the nearest hundredth, with five one thousandth rounded upward (e.g., 0.465 would be rounded up to 0.47) and, in the case of the Initial Share Price, it will be rounded to the nearest cent, with one-half cent being rounded upward. The Calculation Agent may, in its sole discretion, modify the antidilution adjustments as necessary to ensure an equitable result.

Certain Definitions

"**Accelerated Maturity Date**" means the fifth Business Day that follows the Accelerated Final Valuation Date. For the avoidance of doubt, a Hedging Disruption or a Change in Law Disruption specified under the section "*Description of the Notes – Effects of Extraordinary Events*" and "*Description of the Notes – Change in Law*" herein will not cause an Accelerated Maturity Date.

"**Accelerated Final Valuation Date**" means (subject to postponement pursuant to *Section 9* (*Market Disruption Event*)):

i. in the case of an Event of Default as specified in clauses (i) or (iii) in the section "*Description of the Notes—Events of Default and Remedies; Waiver of Past Defaults*" in the Offering Memorandum, the Scheduled Trading Day preceding the date on which such Event of Default is declared;

ii. in the case of an Event of Default as specified in clause (ii) in the section "*Description of the Notes—Events of Default and Remedies; Waiver of Past Defaults*" in the Offering Memorandum, the Final Valuation Date;

iii. in the case of an Event of Default as specified in clauses (iv) and (v) in the section "*Description of the Notes—Events of Default and Remedies; Waiver of Past Defaults*" in the Offering Memorandum, the date that is four Scheduled Trading Days prior to the date on which such Event of Default occurs;

iv. with respect to a Reference Share, in the case of a Hedging Disruption Event as specified under the section "*Description of the Notes—Effects of Extraordinary Events*" herein, the applicable Announcement Date or Approval Date, as the case may be, or, if later, the date the Calculation Agent determines that a Hedging Disruption Event occurred; or

v. with respect to a Reference Share, in the case of a Change in Law Disruption Event specified under the section "*Description of the Notes – Change in Law*" herein, the date on which such Change in Law Disruption Event occurred.

"**All-Share Merger Event**" means, with respect to a Reference Share, a Merger Event pursuant to which the only consideration for shares of such Reference Share consists of a single class of shares of a single issuer or fund, as applicable, that are publicly quoted, traded or listed on a national securities exchange or automated inter-dealer quotation system located in the same country as the Exchange for such Reference Share (and, for the avoidance of doubt, shall include such All-Share Merger Events where holders of shares of affected Reference Share are entitled to cash in lieu of fractional shares).

"**Announcement Date**" means:

i. in the case of a Nationalization with respect to a Reference Issuer or a Reference Fund, as applicable, the day of the first public announcement by the relevant government authority that all or substantially all of the assets of such Reference Issuer or Reference Fund, as applicable, are to be nationalized, expropriated or otherwise transferred to any governmental agency, authority, entity or instrumentality thereof;

ii. in the case of an Insolvency with respect to a Reference Issuer or a Reference Fund, as applicable, the day of the first public announcement of the institution of a proceeding or expiration of a period for dismissal of involuntary filings or presentation of a petition or passing of a resolution (or other analogous procedure in any jurisdiction) that constitutes an Insolvency with respect to such Reference Issuer or Reference Fund, as applicable; or

iii. in the case of a Delisting Event with respect to a Reference Share, the day of the first public announcement by the Exchange for such Reference Share that the such Reference Share will cease to be traded or be publicly quoted on such exchange.

"**Approval Date**" means the closing date of a Merger Event with respect to the Reference Issuer or Reference Fund, as applicable, of a Reference Share or if any such date is not a Scheduled Trading Day for such Reference Share, the immediately preceding Scheduled Trading Day for such Reference Share.

"**Business Day**" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in Paris, France or New York City, USA are authorized or required by law, regulation or executive order to close.

"**Change in Law**" means, with respect to any Reference Share, (i) the adoption, enactment, promulgation, execution or ratification of, or any change in, (A) any applicable law or regulation (including, without limitation, any tax law or regulation) or (B) any regulation, rule or procedure of any exchange or principal trading market on which shares of such Reference Share (or, if applicable, deposited securities) trades or (ii) the adoption of or any change in the interpretation by any court, tribunal, regulatory or similar authority with competent jurisdiction or supervisory duty or exchange, of any such law, regulation, rule or procedure (including, without limitation, any action taken by a taxing authority).

"**Change in Law Disruption Event**" means, with respect to any Reference Share, following the occurrence of a Change in Law with respect to such Reference Share, the Calculation Agent determines that, on or before the Final Valuation Date, the Issuer or any of its affiliates would incur a materially increased (as compared with circumstances existing prior to such event) amount of tax, duty, expense, fee, cost or regulatory capital charge, or it is or will become impracticable, impossible (in each case, after using commercially reasonable efforts), illegal or contrary to any applicable law, regulation, rule or procedure for the Issuer or any of its affiliates, to (i) hold, acquire, establish, reestablish, substitute, maintain, unwind, dispose of or perform obligations in connection with, any transaction(s) and/or asset(s) relating to such Reference Share it deems necessary to hedge the Issuer's obligations with respect to the Notes, or (ii) realize, recover or remit the proceeds of any such transaction(s) or asset(s).

"**Closing Price**" means, with respect to any Reference Share on any Scheduled Trading Day, the official closing price of such Reference Share reported on the Exchange for such Reference Share on such Scheduled Trading Day.

"**Consideration Property**" means, with respect to a Nationalization or Insolvency in connection with the Reference Issuer or Reference Fund, as applicable, of a Reference Share, the amount of securities, cash or any other property distributed to a holder of one share of such Reference Share in, or as a result of, such Nationalization or Insolvency, as applicable.

"**Consideration Property Value**" means, with respect to a Nationalization or Insolvency in connection with the Reference Issuer or the Reference Fund, as applicable, of a Reference Share, the sum of:

i. for any cash received in such Nationalization or Insolvency, as applicable, the value, as of the date of receipt, as determined by the Calculation Agent, of the amount of cash so received in respect of one share of such Reference Share;

ii. for any security received in such Nationalization or Insolvency, as applicable, an amount equal to (a) (1) the closing price of such security on its primary exchange or bulletin board service for trading or (2) if such security is not listed on any exchange or bulletin board service for trading or such closing price is not available, the fair market value of such security, as determined by the Calculation Agent, as of the time at which the Consideration Property Value is determined (which, in the case of (1) will be the closing time for the primary exchange or bulletin board service for trading for such security and in the case of (2) will be a time determined by the Calculation Agent based on the manner for determining the value of such security) multiplied by (b) the quantity of such security so received in respect of one share of such Reference Share in such Nationalization or Insolvency, as applicable; and

iii. for any property other than cash or securities received in such Nationalization or Insolvency, as applicable, the fair market value, as determined by the Calculation Agent in its sole discretion, of such property so received in respect of one share of such Reference Share.

For purposes of determining the Relevant Price of the affected Reference Share on each of the remaining Valuation Dates following such Nationalization or Insolvency, the Consideration Property Value as described in (ii) and (iii) above will be calculated by the Calculation Agent on each of such Valuation Dates in order to determine the Relevant Price of the affected Reference Share on such Valuation Date(s).

"**Delisting Event**" means, with respect to a Reference Share, that such Reference Share ceases to be listed, traded or publicly quoted on the Exchange for such Reference Share (for any reason other than a

Merger Event with respect to such Reference Share) and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as such Exchange.

"**Early Closure**" means:

(i) with respect to a Reference Share, the closure on any Exchange Business Day for such Reference Share of the Exchange for such Reference Share or any Related Exchange for such Reference Share prior to its Scheduled Closing Time unless such earlier closing time 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 on such Exchange Business Day and (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the close of trading on such Exchange Business Day; and

(ii) with respect any Underlying Security or any component of any Underlying Index, as applicable, the closure on any Exchange Business Day for such Underlying Security or such component, as applicable, of the Exchange or any Related Exchange for such Underlying Security or component, as applicable, prior to its Scheduled Closing Time unless such earlier closing time 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 on such Exchange Business Day and (ii) the submission deadline for orders to be entered into such Exchange or Related Exchange system for execution at the Scheduled Closing Time on such Exchange Business Day.

"**Event of Default**" means any Event of Default listed in the section "*Description of the Notes—Events of Default and Remedies; Waiver of Past Defaults*" in the Offering Memorandum.

"**Exchange**" means:

(i) with respect to any Reference Share, the exchange or quotation system specified in the relevant Pricing Supplement, or the primary successor to such exchange or quotation system or primary substitute exchange or quotation system to which trading in shares of such Reference Share has temporarily relocated (so long as the Calculation Agent has determined that there is comparable liquidity relative to such Reference Share on such temporary substitute exchange or quotation system as on the original Exchange); and

(ii) with respect to any Underlying Security or any component of any Underlying Index, the principal exchange or quotation system on which such Underlying Security or component, as applicable, trades, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Underlying Security or component, as applicable, has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Underlying Security or component, as applicable, on such temporary substitute exchange or quotation system as on the original Exchange).

"**Exchange Business Day**" means:

(i) with respect to a Reference Share, any Scheduled Trading Day for such Reference Share on which each Exchange for such Reference Share and each Related Exchange for such Reference Share are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; and

(ii) with respect to an Underlying Security or a component of any Underlying Index, as applicable, any Scheduled Trading Day for such Underlying Security or component, as applicable, on which each Exchange for such Underlying Security or component, as applicable, and each Related Exchange for such Underlying Security or component, as applicable, 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:

(i) in respect of any Reference 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 (a) to effect transactions in, or obtain market prices for, such Reference Share on the Exchange, or (b) to effect transactions in, or obtain market prices for, futures or options contracts relating to such Reference Share on any Related Exchange; and

(ii) in respect of any Underlying Security, any component of any Underlying Index or any Underlying Index, as 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 (a) to effect transactions in, or obtain market prices for, such Underlying Security or component, as applicable, on the relevant Exchange, or (b) to effect transactions in, or obtain market prices for, futures or options contracts relating to such Underlying Security, such component or such Underlying Index, as applicable, on any Related Exchange.

"**Exchange Property**" means, with respect to a Reference Share, the amount of securities, cash or any other property distributed to a holder of one share of such Reference Share in, or as a result of, any Merger Event with respect to the relevant Reference Issuer or Reference Fund, as applicable, (other than an All-Share Merger Event).

In the event of a Merger Event (other than an All-Share Merger Event) in which a holder of shares of the affected Reference Share may elect the form of consideration it receives in such Merger Event, the Exchange Property shall be deemed to consist of the types and amounts of each type of consideration distributed to a holder that makes no election, as determined by the Calculation Agent.

"**Exchange Property Value**" means, with respect to any Reference Share, the sum of:

i. for any cash received in any Merger Event (other than an All-Share Merger Event) with respect to such Reference Share, the value, as of the date of receipt, as determined by the Calculation Agent, of the amount of cash so received in respect of one share of such Reference Share;

ii. for any security received in any Merger Event (other than an All-Share Merger Event) with respect to such Reference Share, an amount equal to (a) (1) the closing price of such security on its primary exchange or bulletin board service for trading or (2) if such security is not listed on any exchange or bulletin board service for trading or such closing price is not available, the fair market value of such security, as determined by the Calculation Agent, as of the time at which such Exchange Property Value is determined (which, in the case of (1) will be the closing time for the primary exchange or bulletin board service for trading of such security and for (2) will be a time determined by the Calculation Agent based on the manner for determining the value of such security) multiplied by (b) the quantity of such security so received in respect of one share of such Reference Share in such Merger Event; and

iii. for any property other than cash or securities received in any Merger Event (other than an All-Share Merger Event) with respect to such Reference Share, the market value, as determined by the Calculation Agent, of such property so received in respect of one share of such Reference Share.

For purposes of determining the Relevant Price for such Reference Share on each of the remaining Valuation Dates following any Merger Event (other than an All-Share Merger Event) with respect to such Reference Share, the Exchange Property Value as described in (ii) and (iii) above will be calculated by the Calculation Agent on each of such Valuation Dates in order to determine the Relevant Price of the affected Reference Share on such Valuation Date(s).

"**Extraordinary Event**" means, for purposes of this Product Supplement, a Merger Event (other than an All-Share Merger Event), Nationalization, Insolvency or Delisting Event, as the case may be.

"**Final Share Price**" means, with respect to a Reference Share (subject, in the case of a Market Disruption Event, to a possible determination by the Calculation Agent in the manner described in the section "*Description of the Notes—Market Disruption Event*" herein):

i. with respect to the Maturity Date, the Relevant Price of such Reference Share on the Final Valuation Date; or, in the case of a Hedging Disruption Event, the price for such Reference Share determined by the Calculation Agent as described in the section "*Description of the Notes – Effects of Extraordinary Events*" herein; or, in the case of a Change in Law

Disruption Event, the price for such Reference Share determined by the Calculation Agent as described in the section "*Description of the Notes – Change in Law*" herein; or,

ii. with respect to the Accelerated Maturity Date in the case of an Event of Default, the Relevant Price of such Reference Share on the Accelerated Final Valuation Date.

"**Final Valuation Date**" means, with respect to any Reference Share, the last Valuation Date (subject to postponement pursuant the section "*Description of the Notes - Market Disruption Event*" herein) on which the Final Share Price of such Reference Share is determined by the Calculation Agent.

"**Hedging Disruption**" means, with respect to any Reference Share, if an Extraordinary Event occurs with respect to such Reference Share and following the occurrence of such Extraordinary Event, the Issuer or any of its affiliates would incur a materially increased (as compared with the circumstances existing prior to such event) amount of tax, duty, expense fee or cost, or it would be impracticable for the Issuer or any of its affiliates after using commercially reasonable efforts, to (i) acquire, establish, reestablish, substitute, maintain, unwind or dispose of any transaction(s) or assets(s) relating to such Reference Share it deems necessary to hedge the Issuer's obligations with respect to the Notes, or (ii) realize, recover or remit the proceeds of any such transaction(s) or asset(s).

"**Hedging Disruption Event**" means, with respect to any Reference Share, the occurrence, as determined by the Calculation Agent, of a Hedging Disruption with respect to such Reference Share.

"**Holder**" means, with respect to any Note, the holder in whose name the Note is registered in the security register of the Issuer.

"**Index Sponsor**" means, with respect to an Underlying Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the method of calculating and adjustments, if any, related to such Underlying Index and (b) announces (directly or through an agent) the level of such Underlying Index on a regular basis during each Scheduled Trading Day.

"**Initial Share Price**" means, with respect to a Reference Share, the Relevant Price of such Reference Share on the Pricing Date as specified on the cover page of the applicable Pricing Supplement.

"**Insolvency**" means, in respect of a Reference Issuer or a Reference Fund, as applicable, voluntary or involuntary liquidation, bankruptcy or insolvency, dissolution or winding-up of, or any analogous proceeding affecting such Reference Issuer or Reference Fund, as applicable, as determined in good faith by the Calculation Agent.

"**Issue Date**" means the Issue Date specified in the applicable Pricing Supplement on which date each Note is issued.

"**Issue Price**" means the Issue Price specified in the applicable Pricing Supplement at which the Notional Amount per Note is issued.

"**Market Disruption Event**" means, with respect to any Reference Share, (a) any Scheduled Trading Day for such Reference Share on which the Exchange for such Reference Share or a Related Exchange for such Reference Share fails to open for trading during its regular trading session or (b) the occurrence or existence of a Trading Disruption, an Exchange Disruption or an Early Closure has occurred with respect to such Reference Share, a related Underlying Security, a component of the related Underlying Index or the related Underlying Index, as applicable, which in any case the Calculation Agent determines is material.

For purposes of determining whether a Market Disruption Event has occurred with respect to a Reference Share: (1) a limitation on the hours or number of days of trading on the relevant Exchange will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of such Exchange, (2) limitations pursuant to New York Stock Exchange ("**NYSE**") Rule 80A (or any applicable rule or regulation enacted or promulgated by the NYSE, any other self-regulatory organization or the Securities and Exchange Commission of scope similar to NYSE Rule 80A as determined by the Calculation Agent) on trading during significant market fluctuations with respect to such Reference Share, a related Underlying Security or a component of the related Underlying Index, as applicable, will constitute a Trading Disruption, (3) a suspension of trading in futures or options contracts on such Reference Share, a related Underlying Security, a component of the related Underlying Index or the related Underlying Index, as applicable, by a Related Exchange by reason of (x) a price change exceeding limits set by such Related Exchange, (y) an imbalance of orders relating to such contracts or (z) a disparity in bid and ask quotes relating to such contracts will constitute a Trading Disruption, (4) the failure (whether or not due to technical or operational reasons) by the Reference Fund Adviser or another entity responsible for calculating and publishing the net asset value ("NAV") of the relevant Reference Fund, as applicable, (or any successor entity thereof) to calculate the NAV of the relevant Reference Fund will constitute a Trading Disruption, and (5) any time when an Exchange or a Related Exchange is itself closed for trading under ordinary circumstances will not be considered a Trading Disruption or an Exchange Disruption.

"**Maturity Date**" means the Maturity Date specified on the cover page of the applicable Pricing Supplement, which will be, unless otherwise specified in the applicable Pricing Supplement, the fifth Business Day following the Final Valuation Date.

"**Merger Event**" means, in respect of any Reference Share, any:

i. reclassification or change of such Reference Share that results in a transfer of or an irrevocable commitment to transfer all shares of such Reference Share outstanding to another entity or person;

ii. consolidation, amalgamation, merger or binding share exchange of the Reference Issuer or the Reference Fund, as applicable, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Reference Issuer or Reference Fund, as applicable, is the continuing entity and which does not result in a reclassification or change of all shares of such Reference Shares outstanding);

iii. other take-over offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding shares of such Reference Share that results in a transfer of or an irrevocable commitment to transfer all shares of such Reference Shares (other than any shares of such Reference Share owned or controlled by such other entity or person); or

iv. consolidation, amalgamation, merger or binding share exchange of the Reference Issuer or the Reference Fund, as applicable, or their subsidiaries with or into another entity in which the Reference Issuer or the Reference Fund, as applicable, is the continuing entity and which does not result in a reclassification or change of all shares of such Reference Share outstanding but results in the outstanding shares of such Reference Share (other than any shares of such Reference Share owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding shares of such Reference Share immediately following such event,

in each case if the closing date of the Merger Event is on or before the Final Valuation Date (after giving effect to any postponement pursuant to the section "*Description of the Notes - Market Disruption Event*" herein).

"**Nationalization**" means, with respect to a Reference Share, that all shares of such Reference Share or all or substantially all the assets of the relevant Reference Issuer or the relevant Reference Fund, as applicable, are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"**New Reference Share**" means, in the case of an All-Share Merger Event with respect to a Reference Share, the class of shares which a holder of shares of such Reference Share immediately prior to the occurrence of the All-Share Merger Event would be entitled to receive upon consummation of such All-Share Merger Event.

"**Notional Amount**" means the Notional Amount of each Note specified on the cover page hereof and in the applicable Pricing Supplement.

"**Potential Adjustment Event**" means, with respect to any Reference Share, any of the following:

i. a subdivision, consolidation or reclassification of shares of such Reference Share (unless resulting in a Merger Event) including, for the avoidance of doubt, a share split or reverse share split, or a free distribution or dividend of shares of such Reference Share to existing holders by way of bonus, capitalization or similar issue;

ii. a distribution, issue or dividend to existing holders of shares of such Reference Share of (A) shares of such Reference Share, (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Reference Issuer or the Reference Fund, as applicable, equally or proportionately with such payments to holders of shares of such Reference Share, (C) share capital or other securities of another issuer or exchange-traded fund acquired or owned (directly or indirectly) by the Reference Issuer or the Reference Fund, as applicable, as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or other) at less than the prevailing market price, as determined by the Calculation Agent;

iii. an extraordinary distribution or dividend paid by the Reference Issuer or the Reference Fund, as applicable, (the characterization of a distribution or dividend or portion thereof as 'extraordinary' to be determined by the Calculation Agent);

iv. a call by the Reference Issuer or the Reference Fund, as applicable, in respect of the shares of such Reference Share that are not fully paid;

v. a repurchase by the Reference Issuer, the Reference Fund or any of their subsidiaries of the shares of such Reference Share whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or

vi. an event that results in any rights of the holders of shares of such Reference Share being distributed or becoming separated from shares or other securities of the Reference Issuer or the Reference Fund, as applicable, pursuant to a plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of securities, warrants, debt instruments or shares purchase 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 having a diluting or concentrative effect on the theoretical value of the shares of such Reference Share (or the deposited securities), as determined by the Calculation Agent,

in each case if the Potential Adjustment Event occurs before the Final Valuation Date (after giving effect to any postponement pursuant to section "*Description of the Notes - Market Disruption Event*" herein).

"**Pricing Date**" means the Pricing Date specified in the applicable Pricing Supplement on which date the offering of the Notes is priced.

"**Redemption**" means, for purposes of this Product Supplement, each of the maturity, accelerated maturity and/or Early Redemption, as the case may be.

"**Redemption Date**" means the Redemption Date specified on the cover page hereof.

"**Reference Fund**" means, with respect to a Reference Share, the Reference Fund specified on the cover page of the relevant Pricing Supplement. Following an All-Share Merger Event with respect to the Reference Fund of any Reference Share, the applicable "Reference Fund" shall refer to the fund related to the New Reference Shares.

"**Reference Fund Adviser**" means, with respect to a Reference Fund, the corporation or other entity that is appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) for such Reference Fund.

"**Reference Issuer**" means, with respect to a Reference Share, the Reference Issuer specified on the cover page of the relevant Pricing Supplement. Following an All-Share Merger Event with respect to the Reference Issuer of a Reference Share, the applicable "Reference Issuer" shall refer to the issuer of the related New Reference Shares.

“**Reference Share**” means each Reference Share specified on the cover page of the relevant Pricing Supplement.

“**Related Exchange**” means, with respect to a Reference Share, any Underlying Security, a component of any Underlying Index or any Underlying Index, as applicable, each exchange or quotation system, if any, where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Reference Share, such Underlying Security, such component, or such Underlying Index, as applicable, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the futures or options contracts relating to such Reference Share, such Underlying Security, such component, or such Underlying Index, as applicable, 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 Reference Share, such Underlying Security, such component, or such Underlying Index, as applicable, on such temporary substitute exchange or quotation system as on the original Related Exchange for such Reference Share, such Underlying Security, such component, or such Underlying Index, as applicable.

“**Relevant Price**” means, with respect to any Reference Share on any Valuation Date for such Reference Share, the Closing Price of such Reference Share on such Valuation Date; provided that (i) following a Merger Event (other than an All-Share Merger Event), Nationalization, Insolvency or Delisting, it shall be determined in accordance with section “*Description of the Notes – Effects of Extraordinary Events*” herein and (ii) in the case of a Market Disruption Event on any Valuation Date it shall be determined in the manner described in the section “*Description of the Notes – Market Disruption Event*” herein.

“**Scheduled Closing Time**” means, with respect to an Exchange or Related Exchange and any 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, with respect to any Reference Share, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which each applicable Exchange and each applicable Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

“**Trading Disruption**” means, with respect to a Reference Share,

i. any suspension of or limitation imposed on trading by the Exchange or any Related Exchange for such Reference Share or otherwise, and whether by reason of movements in price exceeding limits permitted by such Exchange or Related Exchange or otherwise (A) relating to such Reference Share on such Exchange, or (B) in futures or options contracts relating to such Reference Share on any such Related Exchange;

ii. any suspension of or limitation imposed on trading by the Exchange or any Related Exchange for any Underlying Security or component of the Underlying Index, as applicable, or otherwise, and whether by reason of movements in price exceeding limits permitted by such Exchange or Related Exchange or otherwise (A) relating to such Underlying Security or component, as applicable, on such Exchange or (B) in futures or options contracts relating to such Underlying Security or component, as applicable, on such Related Exchange; or

iii. any suspension of or limitation imposed on trading by any Related Exchange for the Underlying Index or otherwise, and whether by reason of movements in price exceeding limits permitted by such Related Exchange or otherwise in futures or options contracts relating to the Underlying Index on such Related Exchange.

“**Underlying Security**” means, with respect to a Reference Share, each security underlying the relevant Reference Fund.

“**Underlying Index**” means, with respect to a Reference Share, the Underlying Index specified on the cover page of the relevant Pricing Supplement.

“**Valuation Date**” means, with respect to each Reference Share, (subject to postponement pursuant to the section “*Description of the Notes - Market Disruption Event”* herein) each Valuation Date specified on the cover page hereof and in the applicable Pricing Supplement, on which a Relevant Price for such Reference Share is determined by the Calculation Agent.

SUPPLEMENTAL PLAN OF DISTRIBUTION

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

The Issuer has agreed to indemnify the Distributors against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "**Securities Act**"), or to contribute to payments that the Distributors may be required to make in respect thereof.

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

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

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

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

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

The Notes are a new issue of securities with no established trading market and will not be listed on any national securities exchange or quoted in any inter-dealer quotation system. Under ordinary market conditions, SGAS (or another broker-dealer affiliated with Société Générale) intends to maintain a secondary market in the Notes; however, neither SGAS nor any of its affiliates has any obligation to provide a secondary market in the Notes and may discontinue doing so at any time. Even if SGAS or any affiliate does maintain a secondary market in the Notes, you may not be able to sell your Notes easily or at prices that will provide a yield comparable to that of similar securities that have a liquid secondary market. Accordingly, we cannot assure you as to the development or liquidity of any market for the Notes.

If SGAS provides such a secondary market, the bid-ask spread will likely be no greater than the percentage of the Notional Amount of a Note set forth in the applicable Pricing Supplement, and the bid and offer prices for the Notes will be displayed on Reuters (under the symbol SGENY0) and on the Bloomberg Financial Service (under the symbol SGNY). SGAS will determine its secondary market prices in its sole discretion. Any market-making price quoted by SGAS will be net of all or a portion of any commission paid or allowance made to the Distributors.

For more information, see "*Description of the Notes—Redemption and Repurchase—Secondary Market Purchases*" and "*Risk Factors—Risks related to the secondary market generally*" in the Offering Memorandum.

Conflicts of Interest

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

CERTAIN ERISA CONSIDERATIONS

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

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

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ANY DISCUSSIONS OF U.S. FEDERAL INCOME TAX MATTERS SET FORTH IN THIS PRODUCT SUPPLEMENT AND IN ANY ACCOMPANYING PRICING SUPPLEMENT WERE WRITTEN IN CONNECTION WITH THE PROMOTION AND MARKETING BY THE ISSUER, GUARANTOR AND/OR SGAS OF THE NOTES. SUCH DISCUSSIONS WERE NOT INTENDED OR WRITTEN TO BE LEGAL OR TAX ADVICE TO ANY PERSON AND WERE NOT INTENDED OR WRITTEN TO BE USED, AND THEY CANNOT BE USED, BY ANY PERSON FOR THE PURPOSE OF AVOIDING ANY U.S. FEDERAL TAX PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON. EACH INVESTOR SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, EACH PROSPECTIVE INVESTOR (AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF EACH PROSPECTIVE INVESTOR) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF THE TRANSACTIONS DESCRIBED IN THIS PRODUCT SUPPLEMENT OR THE APPLICABLE PRICING SUPPLEMENT, AS THE CASE MAY BE, AND ALL MATERIALS OF ANY KIND THAT ARE PROVIDED TO THE PROSPECTIVE INVESTOR RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE (AS SUCH TERMS ARE DEFINED IN TREASURY REGULATION SECTION 1.6011-4). THIS AUTHORIZATION OF TAX DISCLOSURE IS RETROACTIVELY EFFECTIVE TO THE COMMENCEMENT OF DISCUSSIONS BETWEEN THE ISSUER, GUARANTOR OR SGAS OR THEIR REPRESENTATIVES AND EACH PROSPECTIVE INVESTOR REGARDING THE TRANSACTIONS CONTEMPLATED HEREIN.

DISCUSSION

The following discussion summarizes certain U.S. federal income tax consequences of the purchase, beneficial ownership and disposition of Notes.

For purposes of this summary, a “U.S. holder” is a beneficial owner of a Note that is:

- an individual who is a citizen or a resident of the United States, for U.S. federal income tax purposes;
- a corporation (or other entity that is treated as a corporation for U.S. federal income tax purposes) that is created or organized in or under the laws of the United States or any State thereof (including the District of Columbia);
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (1) a court within the United States is able to exercise primary supervision over its administration, and one or more United States persons (as defined for U.S. federal income tax purposes) have the authority to control all substantial decisions of the trust or (2) such trust was in existence on August 20, 1996, and such trust has a valid election in effect under the applicable Treasury regulations to be treated as a United States person.

For purposes of this summary, a “non-U.S. holder” is a beneficial owner of a Note (other than an entity classified as a partnership for U.S. federal income tax purposes) that is not a U.S. holder.

An individual may, subject to certain exceptions, be deemed to be a resident of the United States for U.S. federal income tax purposes by reason of being present in the United States for at least 31 days in the calendar year and for an aggregate of at least 183 days during a three year period ending in the current calendar year (counting for such purposes all of the days present in the current year, one third of the days present in the immediately preceding year, and one sixth of the days present in the second preceding year).

This summary is based on interpretations of the Internal Revenue Code of 1986, as amended (the "Code"), Treasury regulations issued thereunder, and rulings and decisions currently in effect (or in some cases proposed), all of which are subject to change. Any such change may be applied retroactively and may adversely affect the U.S. federal income tax consequences described herein. Except as specifically provided below, this summary addresses only holders that purchase Notes at initial issuance, and own Notes as capital assets (as defined in Section 1221 of the Code) and not as part of a "straddle," "hedge," "synthetic security," or a "conversion transaction" for U.S. federal income tax purposes or as part of some other integrated investment. This summary does not discuss all of the tax consequences that may be relevant to particular investors or to investors subject to special treatment under the U.S. federal income tax laws, such as banks, thrifts or other financial institutions; insurance companies; securities or currency dealers or brokers, or traders in securities electing mark-to-market treatment; regulated investment companies or real estate investment trusts; small business investment companies; S corporations; investors that hold their Notes through a partnership or other entity treated as a partnership for U.S. federal income purposes; investors whose functional currency is not the U.S. dollar; certain former citizens or residents of the United States; persons subject to the alternative minimum tax; retirement plans or other tax-exempt entities, or persons holding the Notes in tax-deferred or tax-advantaged accounts; persons that own in the aggregate, directly or indirectly (including by reason of investing in the Notes) more than 5% of any Reference Fund or any entity owned by any Reference Fund; or "controlled foreign corporations" or "passive foreign investment companies" ("**PFIC**"), both as defined for U.S. federal income tax purposes. This summary also does not address the tax consequences to shareholders, or other equity holders in, or beneficiaries of, a holder, or any state, local or foreign tax consequences of the purchase, ownership or disposition of the Notes. If a partnership (including for this purpose any entity treated as a partnership for U.S. federal income tax purposes) is the beneficial owner of any Note, the treatment of a partner in the partnership will generally depend upon the status of such partner and the activities of the partnership. Persons considering the purchase of Notes should consult their own tax advisors concerning the application of U.S. federal income tax laws to their particular situations as well as any consequences of the purchase, beneficial ownership and disposition of Notes arising under the laws of any other taxing jurisdiction.

The applicable Pricing Supplement may contain a further discussion of the special U.S. federal income tax consequences applicable to certain Notes. The summary of the U.S. federal income tax considerations contained in the applicable Pricing Supplement supersedes the following summary to the extent it is inconsistent therewith.

PROSPECTIVE PURCHASERS OF NOTES SHOULD CONSULT THEIR TAX ADVISORS AS TO THE U.S. FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF NOTES.

U.S. Federal Income Tax Treatment of the Notes as Indebtedness for U.S. Federal Income Tax Purposes

Unless otherwise indicated in the applicable Pricing Supplement, we intend to treat the Notes as indebtedness for U.S. federal income tax purposes and except as provided below under "—U.S. Federal Income Tax Treatment of the Notes Other Than as Indebtedness for U.S. Federal Income Tax Purposes", the balance of this summary assumes that the Notes are treated as indebtedness for U.S. federal income tax purposes. However, the treatment of a Note as indebtedness for U.S. federal income tax purposes depends on a number of factors, and if the Notes are not properly treated as indebtedness for U.S. federal income tax purposes, the U.S. federal income tax treatment of investors in such Notes may be different than that described below.

Payments of Interest. Payments of interest on a Note generally will be taxable to a U.S. holder as ordinary interest income at the time such payments are accrued or received (in accordance with the U.S.

holder's regular method of tax accounting), provided that the interest is "qualified stated interest" (as defined below).

Original Issue Discount. The following summary is a general discussion of the U.S. federal income tax consequences to U.S. holders of the purchase, ownership and disposition of Notes issued with original issue discount. The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes having been issued with original issue discount.

A Note will have original issue discount for U.S. federal income tax purposes if the Note's "issue price" is less than the Note's "stated redemption price at maturity" by more than a *de minimis* amount, as discussed below, and the Note has a term of more than one year.

The issue price of a Note generally is the first price at which a substantial amount of the "issue" of Notes is sold to the public for money (excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers), excluding pre-issuance accrued interest (as discussed below under "—Pre-Issuance Accrued Interest").

The "stated redemption price at maturity" of a Note generally is the total amount of all payments provided by the Note other than "qualified stated interest" payments.

Qualified stated interest generally is stated interest that is "unconditionally payable" in cash or property (other than debt instruments of the issuer) at least annually either at a single fixed rate, or a qualifying variable rate (as described below). Qualified stated interest is taxable to a U.S. holder when accrued or received in accordance with the U.S. holder's regular method of tax accounting, as described above under "—Payments of Interest."

Interest is considered unconditionally payable only if reasonable legal remedies exist to compel timely payment or the Note otherwise provides terms and conditions that make the likelihood of late payment (other than a late payment within a reasonable grace period) or non-payment a remote contingency. Interest is payable at a single fixed rate only if the rate appropriately takes into account the length of the interval between stated interest payments. Thus, if the interval between payments varies during the term of the instrument, the value of the fixed rate on which payment is based generally must be adjusted to reflect a compounding assumption consistent with the length of the interval preceding the payment.

Notes having "*de minimis* original issue discount" generally will be treated as not having original issue discount unless a U.S. holder elects to treat all interest on the Note as original issue discount. See "—Election to Treat All Interest and Discount as Original Issue Discount (Constant Yield Method)." A Note will be considered to have "*de minimis* original issue discount" if the difference between its stated redemption price at maturity and its issue price is less than the product of ¼ of 1 percent of the stated redemption price at maturity and the number of complete years from the issue date to maturity (or the weighted average maturity in the case of a Note that provides for payment of an amount other than qualified stated interest prior to maturity).

U.S. holders of Notes having original issue discount will be required to include original issue discount in gross income for U.S. federal income tax purposes as it accrues (regardless of the U.S. holder's regular method of tax accounting), which may be in advance of receipt of the cash attributable to such income. Original issue discount accrues under the constant yield method, based on a compounded yield to maturity, as described below. Accordingly, U.S. holders of Notes having original issue discount will generally be required to include in income increasingly greater amounts of original issue discount in successive accrual periods.

The annual amount of original issue discount includible in income by the initial U.S. holder of a Note having original issue discount will equal the sum of the "daily portions" of the original issue discount with respect to the Note for each day on which the U.S. holder held the Note during the taxable year. Generally, the daily portions of original issue discount are determined by allocating to each day in an "accrual period" the ratable portion of original issue discount allocable to the accrual period. The term accrual period means an interval of time with respect to which the accrual of original issue discount is measured and which may vary in length over the term of the Note *provided* that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs on either the first or last day of an accrual period.

The amount of original issue discount allocable to an accrual period will be the excess of:

- the product of the "adjusted issue price" of the Note at the commencement of the accrual period and its "yield to maturity" over

- the amount of any qualified stated interest payments allocable to the accrual period.

The adjusted issue price of a Note at the beginning of the first accrual period is the Note's issue price and, on any day thereafter, it is the sum of the issue price and the amount of original issue discount previously includible in the gross income of the U.S. holder (without regard to any "acquisition premium" as described below), reduced by the amount of any payment other than a payment of qualified stated interest previously made on the Note. If an interval between payments of qualified stated interest contains more than one accrual period, the amount of qualified stated interest that is payable at the end of the interval (including any qualified stated interest that is payable on the first day of the accrual period immediately following the interval) is allocated on a pro-rata basis to each accrual period in the interval, and the adjusted issue price at the beginning of each accrual period in the interval is increased by the amount of any qualified stated interest that has accrued prior to the first day of the accrual period but is not payable until the end of the interval. The yield to maturity of a Note is the yield to maturity computed on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period. If all accrual periods are of equal length except for a shorter initial accrual period or a shorter initial and final accrual period, the amount of original issue discount allocable to the initial period may be computed using any reasonable method; however, the original issue discount allocable to the final accrual period will always be the difference between the amount payable at maturity (other than a payment of qualified stated interest) and the adjusted issue price of the Note at the beginning of the final accrual period.

Pre-Issuance Accrued Interest. If (i) a portion of the initial purchase price of a Note is attributable to pre-issuance accrued interest, (ii) the first stated interest payment on the Note is to be made within one year of the Note's issue date, and (iii) the payment will equal or exceed the amount of pre-issuance accrued interest, then the U.S. holder may compute the issue price of the Note by subtracting the amount of the pre-issuance accrued interest. In that event, a portion of the first stated interest payment will be treated as a return of the excluded pre-issuance accrued interest and not as an amount payable on the Note.

Notes Subject to Call or Put Options. For purposes of calculating the yield and maturity of a Note subject to an option, in general, a call option held by the issuer is presumed exercised if, upon exercise, the yield on the Note is less than it would have been had the option not been exercised, and a put option held by a U.S. holder is presumed exercised if, upon exercise, the yield on the Note is more than it would have been had the option not been exercised. The effect of this rule generally may accelerate or defer the inclusion of original issue discount in the income of a U.S. holder whose Note is subject to a put option or a call option, as compared to a Note that does not have such an option. If any option that is presumed to be exercised is not in fact exercised, the Note is treated as retired and reissued solely for purposes of the original issue discount rules on the date of presumed exercise for an amount equal to the Note's adjusted issue price on that date. The deemed reissuance will have the effect of redetermining the Note's yield and maturity for original issue discount purposes and any related subsequent accruals of original issue discount.

Variable Rate Debt Instruments. Certain Notes that qualify as "variable rate debt instruments" are subject to the special rules described below. A Note will qualify as a variable rate debt instrument if (a) the Note's issue price does not exceed the total noncontingent principal payments due under the Note by more than a specified *de minimis* amount and (b) the Note provides for stated interest, paid or compounded at least annually, at current values of (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate, or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate. The applicable Pricing Supplement will indicate whether we intend to treat a Note as a variable rate debt instrument that is subject to these special rules.

A "qualified floating rate" is any variable rate where variations in the value of such rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Note is denominated. Although a multiple of a qualified floating rate will generally not itself constitute a qualified floating rate, a variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than .65 but not more than 1.35 will constitute a qualified floating rate. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than .65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Note (*e.g.*, two or more qualified floating rates with values within 25 basis points of each other as determined on the Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (*i.e.*, a cap) or a minimum numerical limitation (*i.e.*, a floor) may, under certain circumstances, fail to be treated as a qualified floating rate, unless such cap or floor is fixed throughout the term of the Note. An "objective rate" is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and that is based on objective financial or economic information. A rate will not qualify as an objective rate if it is based on information that is within the control of the issuer (or a related party) or that is unique to the circumstances of the issuer (or a related party) such as dividends, profits, or the value of the issuer's stock (although a rate does not fail to qualify as an objective rate merely because it is based on the credit quality of the issuer). A "qualified inverse floating rate" is any objective rate which is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. Further, if a Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate and if the variable rate on the Note's issue date is intended to approximate the fixed rate (*e.g.*, the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

If a Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument", and if the stated interest on such Note is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually, then all stated interest on the Note will constitute qualified stated interest and will be taxed accordingly. Thus, a Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with original issue discount unless the Note is issued at a "true" discount (*i.e*., at a price below the Note's stated principal amount) in excess of a specified *de minimis* amount. The amount of qualified stated interest and the amount of original issue discount, if any, that accrues during an accrual period on such a Note is determined under the rules applicable to fixed rate debt instruments by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value as of the issue date, of the qualified floating rate or qualified inverse floating rate, or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Note. The qualified stated interest allocable to an accrual period is increased (or decreased) if the interest actually paid during an accrual period exceeds (or is less than) the interest assumed to be paid during the accrual period pursuant to the foregoing rules.

In general, any other Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of original issue discount and qualified stated interest on the Note. Treasury regulations generally require that such a Note be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Note. In the case of a Note that qualifies as a "variable rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Note provides for a qualified inverse floating rate). Under such circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Note as of the Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Note is then converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of original issue discount and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general original issue discount rules to the "equivalent" fixed rate debt instrument and a U.S. holder of the Note will account for such original issue discount and qualified stated interest as if the U.S. holder held the "equivalent" fixed rate debt instrument. Each accrual period appropriate adjustments will be made to the amount of qualified stated interest or original issue discount assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that such amounts differ from the actual amount of interest accrued or paid on the Note during the accrual period.

Short-Term Debt Instruments. Certain Notes that are treated as "short-term" debt instruments are subject to special rules. U.S. holders that report income for U.S. federal income tax purposes on the accrual method and certain other holders are required to include original issue discount (equal to the difference between all payments on the Note over its issue price) in income. Original issue discount on Notes that are short-term debt instruments is accrued on a straight-line basis, unless an irrevocable election with respect to the Note is made to accrue the original issue discount under the constant yield method based on daily compounding.

In general, an individual or other cash method U.S. holder of a short-term debt instrument is not required to accrue original issue discount with respect to a Note that is a short-term debt instrument, unless the U.S. holder elects to do so, but may be required to include interest paid on the Note that is a short-term debt instrument in income as the interest is received. An election by a cash basis U.S. holder to accrue original issue discount on a Note that is a short-term debt instrument, applies to all short-term debt instruments acquired by the U.S. holder during the first taxable year for which the election is made, and all subsequent taxable years of the U.S. holder, unless the Internal Revenue Service (the "IRS") consents to a revocation. In the case of a U.S. holder that is not required (and does not elect) to include original issue discount in income currently, any gain realized on the sale, exchange, retirement, redemption or other disposition of a Note that is a short-term debt instrument is treated as ordinary income to the extent of the original issue discount that had accrued on a straight-line basis (or, if elected, under the constant yield method based on daily compounding) through the date of sale, exchange, retirement, redemption or other disposition and the U.S. holder will be required to defer deductions for any interest paid on indebtedness incurred or continued to purchase or carry the Note in an amount not exceeding the accrued original issue discount (determined on a ratable basis, unless the U.S. holder elects to use a constant yield basis) on the Note, until the original issue discount is recognized.

Market Discount and Premium. If a U.S. holder purchases a Note, other than a contingent payment debt instrument or a short-term debt instrument, for an amount that is less than the Note's stated redemption price at maturity or, in the case of a Note having original issue discount, less than the Note's revised issue price (which is the sum of the issue price of the Note increased by the aggregate amount of the original issue discount previously includible in the gross income of any holder (without regard to any acquisition premium) and decreased by the amount of any payments previously made on the Note that were not payments of qualified stated interest), the amount of the difference generally will be treated as market discount for U.S. federal income tax purposes. It is possible that a U.S. holder may purchase a Note at original issuance for an amount that is different than its issue price. The amount of any market discount generally will be treated as *de minimis* and disregarded if the amount is less than the product of ¼ of 1 percent of the stated redemption price at maturity of the Note and the number of complete remaining years to maturity (or weighted average remaining maturity in the case of Notes paying any amount other than qualified stated interest prior to maturity).

Under the market discount rules, a U.S. holder is required to treat any principal payment on, or any gain on the sale, exchange, retirement, redemption or other disposition of a Note as ordinary income to the extent of any accrued market discount that has not previously been included in income. If the Note is disposed of in a nontaxable transaction (other than certain specified nonrecognition transactions), accrued market discount will be includible as ordinary income to the U.S. holder as if the U.S. holder had sold the Note at its then fair market value. In addition, the U.S. holder may be required to defer, until the maturity of the Note or its earlier disposition in a taxable transaction, the deduction of all or a portion of the interest expense on any indebtedness incurred or continued to purchase or carry the Note.

Market discount accrues ratably during the period from the date of acquisition to the maturity of a Note, unless the U.S. holder elects to accrue it under the constant yield method. A U.S. holder of a Note may elect to include market discount in income currently as it accrues (either ratably or under the constant yield method), in which case the rule described above regarding deferral of interest deductions will not apply. The election to include market discount currently applies to all market discount obligations acquired during or after the first taxable year to which the election applies and may not be revoked without the consent of the IRS. If an election is made to include market discount in income currently, the basis of the Note in the hands of the U.S. holder will be increased by the market discount thereon as it is included in income.

A U.S. holder that purchases a Note having original issue discount, other than a contingent payment debt instrument, for an amount exceeding its "adjusted issue price" (which is described above under "—Original Issue Discount") and less than or equal to the sum of all remaining amounts payable on the Note other than payments of qualified stated interest will be treated as having purchased the Note with acquisition premium. The amount of original issue discount that the U.S. holder must include in gross income with respect to such Note will be reduced in the proportion that the excess bears to the original issue discount remaining to be accrued as of the Note's acquisition date and ending on the stated maturity date. Rather than apply the above fraction, the U.S. holder that, as discussed below, elects to treat all interest as original issue discount would treat the purchase at an acquisition premium as a purchase at original issuance and calculate original issue discount accruals on a constant yield to maturity basis.

A U.S. holder that acquires a Note, other than a contingent payment debt instrument, for an amount that is greater than the sum of all remaining amounts payable on the Note other than payments of qualified stated interest will be treated as having purchased the Note at a bond premium and will not be required to include any original issue discount in income. A U.S. holder generally may elect to amortize bond premium. The election to amortize bond premium must be made with a timely filed U.S. federal income tax return for the first taxable year to which the U.S. holder wishes the election to apply.

If bond premium is amortized, the amount of interest that must be included in the U.S. holder's income for each period ending on an interest payment date or on stated maturity, as the case may be, will be reduced by the portion of bond premium allocable to such period based on the Note's yield to maturity (or, in certain circumstances, until an earlier call date) determined by using the U.S. holder's basis of the Note, compounding at the close of each accrual period. If the bond premium allocable to an accrual period is in excess of qualified stated interest allocable to that period, the excess may be deducted to the extent of prior interest income inclusions and is then carried to the next accrual period and offsets qualified stated interest in such period. If an election to amortize bond premium is not made, a U.S. holder must include the full amount of each interest payment in income in accordance with its regular method of accounting and will receive a tax benefit from the premium only in computing its gain or loss upon the sale, exchange, retirement, redemption or other disposition or payment of the principal amount of the Note.

An election to amortize bond premium will apply to amortizable bond premium on all Notes and other bonds, the interest on which is includible in the U.S. holder's gross income, held at the beginning of the U.S. holder's first taxable year to which the election applies or thereafter acquired, and may be revoked only with the consent of the IRS. The election to treat all interest as original issue discount is treated as an election to amortize premium. Special rules may apply if a Note is subject to call prior to maturity at a price in excess of its stated redemption price at maturity.

Election to Treat All Interest and Discount as Original Issue Discount (Constant Yield Method). A U.S. holder of a Note may elect to include in income all interest and discount (including *de minimis* original issue discount and *de minimis* market discount), as adjusted by any premium with respect to the Note, based on a constant yield method, which is described above under "— Original Issue Discount." The election is made for the taxable year in which the U.S. holder acquired the Note, and it may not be revoked without the consent of the IRS. If such election is made with respect to a Note having market discount, the U.S. holder will be deemed to have elected currently to include market discount on a constant yield basis with respect to all debt instruments having market discount acquired during the year of election or thereafter. If made with respect to a Note having amortizable bond premium, the U.S. holder will be deemed to have made an election to amortize premium generally with respect to all debt instruments having amortizable bond premium held by the U.S. holder during the year of election or thereafter.

Sale, Exchange, Retirement Redemption or Repayment of the Notes. Upon the disposition of a Note by sale, exchange, retirement, redemption, or other disposition or repayment of principal at maturity, a U.S. holder will generally recognize taxable gain or loss equal to the difference between (i) the amount realized on the disposition (other than amounts attributable to accrued but unpaid interest, which will be taxable as such) and (ii) the U.S. holder's adjusted tax basis in the Note. A U.S. holder's adjusted tax basis in a Note generally will equal the cost of the Note (net of accrued interest) to the U.S. holder, increased by amounts includible in income as original issue discount or market discount, as described above (if the holder elects to include market discount in income on a current basis) and reduced by any amortized bond premium and any payments (other than payments of qualified stated interest) made on the Note.

Such gain or loss (except to the extent that the market discount rules or the rules relating to short-term debt instruments or contingent payment debt instruments otherwise provide) will generally constitute capital gain or loss, which will be long-term capital gain or loss if the Note was held for more than one year. Long-term capital gains of individual taxpayers may be eligible for reduced rates of taxation. The deductibility of capital losses is subject to certain limitations.

Contingent Payment Debt Instruments. Certain Notes may be taxed pursuant to the rules applicable to "contingent payment debt instruments". The applicable Pricing Supplement will indicate whether we intend to treat a Note as a debt instrument that must be taxed pursuant to the rules applicable to contingent payment debt instruments. If a contingent payment debt instrument is issued for cash or publicly traded property, original issue discount is determined and accrued under the "noncontingent bond method." Unless otherwise indicated in the applicable Pricing Supplement, we intend to treat all Notes that must be taxed pursuant to the rules applicable to contingent payment debt instruments as subject to the noncontingent bond method.

Under the noncontingent bond method, for each accrual period, U.S. holders of the Notes accrue original issue discount equal to the product of (i) the "comparable yield" (adjusted for the length of the accrual period) and (ii) the "adjusted issue price" of the Notes at the beginning of the accrual period. This amount is ratably allocated to each day in the accrual period and is includible as ordinary interest income by a U.S. holder for each day in the accrual period on which the U.S. holder holds the contingent payment debt instrument, whether or not the amount of any payment is fixed or determinable in the taxable year. Thus, the noncontingent bond method may result in recognition of income prior to the receipt of cash.

In general, the comparable yield of a contingent payment debt instrument is equal to the yield at which the issuer would issue a fixed rate debt instrument with terms and conditions similar to those of the contingent payment debt instrument, including level of subordination, term, timing of payments, and general market conditions. For example, if a hedge of the contingent payment debt instrument is available that, if integrated with the contingent payment debt instrument, would produce a "synthetic debt instrument" with a specific yield to maturity, the comparable yield will be equal to the yield of the synthetic debt instrument. However, if such a hedge is not available, but similar fixed rate debt instruments of the issuer are traded at a price that reflects a spread above a benchmark rate, the comparable yield is the sum of the benchmark rate on the issue date and the spread. The applicable Pricing Supplement will either provide the comparable yield, or investors can obtain the comparable yield of the Notes by contacting SG Structured Products Inc., Olivier Daguet at (as of the date hereof) 1221 Avenue of the Americas, New York, New York 10020. On or about September 1, 2013, the Issuer, the Guarantor, and SGAS will be relocating their New York City location from 1221 Avenue of the Americas, New York, NY 10020 to 245 Park Avenue, New York, NY 10167.

The adjusted issue price at the beginning of each accrual period is generally equal to the issue price of the Note plus the amount of original issue discount previously accrued upon the Note (generally determined without regard to any positive or negative adjustments, as discussed below) less any noncontingent payment and the projected amount of any contingent payment contained in the projected payment schedule (as described below) previously scheduled to have been made on the contingent payment debt instrument.

In addition to the determination of a comparable yield, the noncontingent bond method requires us to construct a projected payment schedule. The projected payment schedule includes all noncontingent payments, and projected amounts for each contingent payment to be made under the contingent payment debt instrument that are adjusted to produce the comparable yield. The applicable Pricing Supplement will either provide such projected payment schedule, or investors can obtain the projected payment schedule by contacting SG Structured Products Inc., Olivier Daguet at (as of the date hereof) 1221 Avenue of the Americas, New York, New York 10020. On or about September 1, 2013, the Issuer, the Guarantor, and SGAS will be relocating their New York City location from 1221 Avenue of the Americas, New York, NY 10020 to 245 Park Avenue, New York, NY 10167. Except as discussed below, the projected payment schedule remains fixed throughout the term of the contingent payment debt instrument and is not revised to account for changes in circumstances that occur while the Notes are outstanding. A U.S. holder is required to use the issuer's projected payment schedule to determine its interest accruals and adjustments, unless the U.S. holder determines that the issuer's projected payment schedule is unreasonable, in which case the U.S. holder must disclose its own projected payment schedule in connection with its U.S. federal income tax return and the reason(s) why it is not using the issuer's projected payment schedule.

The comparable yield and the projected payment schedule are used to determine accruals of interest FOR U.S. FEDERAL INCOME TAX PURPOSES ONLY and are not assurances or predictions by us with respect to the actual yield of or payments to be made in respect of a Note. The comparable yield and the projected payment schedule do not represent our expectations regarding such yield or the amount of such payments.

If the actual amounts of contingent payments are different from the amounts reflected in the projected payment schedule, a U.S. holder is required to make adjustments in its original issue discount accruals when such amounts are paid. In addition, if a Note has been held until maturity, for purposes of determining the amount realized upon retirement of the Note at maturity, the U.S. holder is generally treated as receiving the projected amount of any contingent payment due at maturity, as provided by the projected payment schedule (subject to adjustment, as described below). Adjustments arising from contingent payments that are greater than the projected amounts of those payments are referred to as "positive adjustments"; adjustments arising from contingent payments that are less than the projected amounts are referred to as "negative adjustments." Positive and negative adjustments are netted for each taxable year with respect to each Note. Any net positive adjustment for a taxable year is treated as additional original issue discount income of the U.S. holder. Any net negative adjustment reduces any original issue discount on the Note for the taxable year that would otherwise accrue. Any excess is then treated as a current-year ordinary loss to the U.S. holder to the extent of original issue discount accrued in prior years. The balance, if any, is treated as a negative adjustment in subsequent taxable years.

Finally, to the extent that it has not previously been taken into account, an excess negative adjustment reduces the amount realized upon a sale, exchange, retirement, redemption or other disposition of the Note.

Notwithstanding the foregoing, special rules will apply if a contingent payment on a Note becomes fixed more than six months prior to its scheduled date of payment. Generally, in such a case, a U.S. holder would be required to account for the difference between the present value of the fixed payment and the present value of the projected payment as either a positive adjustment or a negative adjustment (*i.e.*, either as additional original issue discount or as an offset to future original issue discount or as an ordinary loss, as appropriate) on the date the payment becomes fixed. Notwithstanding the preceding sentence, if all remaining contingent payments become fixed substantially contemporaneously, any positive or negative adjustment is taken into account in a reasonable manner over the remaining term of the Note. In addition, the projected payment schedule will generally be modified prospectively to reflect the fixed amount of the payment, and no further adjustment will be made when the payment is actually made. The adjusted issue price of the Note and a U.S. holder's tax basis in the Note and the character of any gain or loss on the sale of the Note could also be affected. U.S. holders should consult their own tax advisors concerning these special rules.

A U.S. holder's basis in a contingent payment debt instrument is increased by the original issue discount previously accrued by the U.S. holder on the contingent payment debt instrument (as determined without regard to adjustments made to reflect differences between actual and projected payments, except as discussed in the preceding paragraph) and reduced by the amount of any non-contingent payments and the projected amount of any contingent payments previously made to the U.S. holder. Gain on the sale, exchange, retirement, redemption or other disposition of a contingent payment debt instrument generally is treated as ordinary income. Loss, on the other hand, is treated as ordinary loss only to the extent of the U.S. holder's prior net original issue discount inclusions (*i.e.*, reduced by the total net negative adjustments previously allowed to the U.S. holder as an ordinary loss) and capital loss to the extent in excess thereof. The deductibility of capital losses is subject to certain limitations.

A U.S. holder that purchases a Note for an amount other than the issue price of the Note will be required to adjust its original issue discount inclusions to account for the difference. These adjustments will affect the U.S. holder's basis in the Note. Reports to U.S. holders may not include these adjustments. U.S. holders that purchase Notes for an amount other than the issue price should consult their tax advisors regarding these adjustments.

Prospective investors should consult their own tax advisors with respect to the application of the contingent payment debt instrument provisions to Notes.

Foreign Currency Notes. Certain Notes that are denominated in or on which interest is payable in a Foreign Currency are subject to special rules. As used herein, "**Foreign Currency**" means a currency other than U.S. dollars. The applicable Pricing Supplement will indicate whether we intend to treat the Notes as subject to these special rules. The following discussion summarizes the principal U.S. federal income tax consequences of owning a Note that is denominated in or on which interest is payable in a Foreign Currency (other than a currency described in this section that is considered "hyperinflationary" for U.S. federal income tax purposes), and is not a contingent payment debt instrument or a dual currency Note. Special U.S. federal income tax considerations applicable to Notes that are denominated in or on which interest is payable in a hyperinflationary currency, are contingent payment debt instruments, or are dual currency Notes, will be discussed in the applicable Pricing Supplement.

<u>Payments of Interest in a Foreign Currency - Cash Method.</u> A U.S. holder who uses the cash method of accounting for U.S. federal income tax purposes and who receives a payment of interest on a Note (other than original issue discount or market discount) will be required to include in income the U.S. dollar value of the Foreign Currency payment (determined at the spot rate on the date such payment is received) regardless of whether the payment is in fact converted to U.S. dollars at that time, and such U.S. dollar value will be the U.S. holder's tax basis in such Foreign Currency. No exchange gain or loss will be recognized with respect to the receipt of such payment.

Payments of Interest in a Foreign Currency - Accrual Method. A U.S. holder who uses the accrual method of accounting for U.S. federal income tax purposes, or who otherwise is required to accrue interest prior to receipt, will be required to include in income the U.S. dollar value of the amount of interest income (including original issue discount or market discount and reduced by amortizable bond premium to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a Note during an accrual period. The U.S. dollar value of such accrued income will be determined by translating such income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. A U.S. holder may elect, however, to translate such accrued interest income using the rate of exchange on the last day of the accrual period or, with respect to an accrual period that spans two taxable years, using the spot rate on the last day of the taxable year. If the last day of an accrual period is within five business days of the date of receipt of the accrued interest, a U.S. holder may translate such interest using the spot rate on the date of receipt. The above election will apply to other debt obligations held by the U.S. holder and may not be changed without the consent of the IRS. A U.S. holder should consult a tax advisor before making the above election. A U.S. holder will recognize exchange gain or loss (which will be treated as ordinary income or loss) with respect to accrued interest income on the date such income is received. The amount of ordinary income or loss recognized will equal the difference, if any, between the U.S. dollar value of the Foreign Currency payment received (determined at the spot rate on the date such payment is received) in respect of such accrual period and the U.S. dollar value of interest income that has accrued during such accrual period (as determined above).

Purchase, Sale and Retirement of Notes. A U.S. holder who purchases a Note with previously owned Foreign Currency will recognize ordinary income or loss in an amount equal to the difference, if any, between such U.S. holder's tax basis in the Foreign Currency and the U.S. dollar fair market value of the Foreign Currency used to purchase the Note, determined on the date of purchase.

For purposes of determining the amount of any gain or loss recognized by a U.S. holder on the sale, exchange, retirement or other disposition of a Note that is denominated in a Foreign Currency, the amount realized will be based on the U.S. dollar value of the Foreign Currency on the date the payment is received or the Note is disposed of. Subject to the discussion below, such gain or loss will generally be capital gain or loss as discussed in "—Sale, Exchange, Retirement Redemption or Repayment of the Notes." To the extent the amount realized upon the disposition of a Note represents accrued but unpaid interest, however, such amounts must be taken into account as interest income, with exchange gain or loss computed as described in "—Foreign Currency Notes—Payments of Interest in a Foreign Currency – Accrual Method" above. In the case of a Note that is denominated in Foreign Currency and is traded on an established securities market as defined in the applicable Treasury regulations, a cash basis U.S. holder (or, upon election, an accrual basis U.S. holder) will determine the U.S. dollar value of the amount realized by translating the Foreign Currency payment at the spot rate of exchange on the settlement date of the sale. Such an election by an accrual basis U.S. holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. A U.S. holder's adjusted tax basis in a Note will equal the cost of the Note to such U.S. holder, increased by the amounts of any market discount or original issue discount previously included in income by the U.S. holder with respect to such Note and reduced by any amortized premium and any payments other than qualified stated interest received by the U.S. holder. A U.S. holder's tax basis in a Note, and the amount of any subsequent adjustments to such U.S. holder's tax basis, will be the U.S. dollar value of the Foreign Currency amount paid for such Note, or of the Foreign Currency amount of the adjustment, determined on the date of such purchase or adjustment.

Gain or loss realized upon the sale, exchange or retirement of a Note that is attributable to fluctuations in currency exchange rates will be ordinary income or loss, which will not be treated as interest income or expense. Such gain or loss generally will be U.S. source gain or loss. Gain or loss attributable to fluctuations in exchange rates will equal the difference between the U.S. dollar value of the Foreign Currency principal amount of the Note, generally determined on the date such payment is received or the Note is disposed of, and the U.S. dollar value of the Foreign Currency principal amount of the Note, determined on the date the U.S. holder acquired the Note. Such Foreign Currency exchange gain or loss will be recognized only to the extent of the total gain or loss realized by the U.S. holder on the sale, exchange or retirement of the Note.

Original Issue Discount. In the case of an Note or short-term debt instrument, (i) original issue discount is computed in the Foreign Currency, (ii) accrued original issue discount is translated into U.S. dollars as described in "—Foreign Currency Notes—Payments of Interest in a Foreign Currency - Accrual Method" above and (iii) the amount of Foreign Currency exchange gain or loss on the accrued original issue discount is determined by comparing the amount of income received attributable to the discount (either upon payment, maturity or an earlier disposition), as translated into U.S. dollars at the rate of exchange on the date of such receipt, with the amount of original issue discount accrued, as translated above. For these purposes, all receipts on a Note will be viewed first, as the receipt of any qualified stated interest payments called for under the terms of the Note; second, as receipts of previously accrued original issue discount (to the extent thereof), with payments considered made for the earliest accrual periods first; and third, as the receipt of principal.

Market Discount and Premium. In the case of a Note with market discount, (i) market discount is computed in the Foreign Currency, (ii) accrued market discount taken into account upon the receipt of any partial principal payment or upon the sale, exchange, retirement or other disposition of the Note (other than accrued market discount required to be taken into account currently) is translated into U.S. dollars at the exchange rate on the date of such partial principal payment or disposition date (and no part of such accrued market discount is treated as exchange gain or loss) and (iii) accrued market discount currently includible in income by a U.S. holder for any accrual period is translated into U.S. dollars on the basis of the average exchange rate in effect during such accrual period, and the exchange gain or loss is determined upon the receipt of any partial principal payment or upon the sale, exchange, retirement or other disposition of the Note in the manner described in "—Foreign Currency Notes—Payments of Interest in a Foreign Currency – Accrual Method" above with respect to the computation of exchange gain or loss on accrued interest.

With respect to a Note acquired with amortizable bond premium, if an election is made to amortize the premium, such premium is computed in the relevant Foreign Currency and reduces interest income in units of the Foreign Currency. A U.S. holder should recognize exchange gain or loss equal to the difference between the U.S. dollar value of the bond premium amortized with respect to a period, determined on the date the interest attributable to such period is received, and the U.S. dollar value of the bond premium determined on the date of the acquisition of the Note. A U.S. holder that does not elect to amortize bond premium will translate the bond premium, computed in the applicable Foreign Currency, into U.S. dollars at the spot rate on the maturity date and such bond premium will constitute a capital.

Exchange of Foreign Currencies. A U.S. holder will have a tax basis in any Foreign Currency received as interest or on the sale, exchange or retirement of a Note equal to the U.S. dollar value of such Foreign Currency, determined at the time the interest is received or at the time of the sale, exchange or retirement. As discussed above, if the Notes are traded on an established securities market, a cash basis U.S. holder (or, upon election, an accrual basis U.S. holder) will determine the U.S. dollar value of the Foreign Currency by translating the Foreign Currency received at the spot rate of exchange on the settlement date of the sale, exchange or retirement. Such an election by an accrual basis U.S. holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. Accordingly, a U.S. holder's basis in the Foreign Currency received would be equal to the U.S. dollar value of the Foreign Currency at the spot rate of exchange on the settlement date. Any gain or loss realized by a U.S. holder on a sale or other disposition of Foreign Currency (including its exchange for U.S. dollars or its use to purchase Notes) will be ordinary income or loss and will generally be U.S. source income or loss.

Certain Other Debt Securities. Certain Notes that we intend to treat as indebtedness for U.S. federal income tax purposes may be subject to special rules. The applicable Pricing Supplement will discuss the principal U.S. federal income tax consequences with respect to Notes that are subject to any special rules not described herein.

U.S. Federal Income Tax Treatment of the Notes Other Than as Indebtedness for U.S. Federal Income Tax Purposes

Certain Notes Treated as a Put Option and a Deposit. We may treat certain Notes as consisting of a put option and a deposit for U.S. federal income tax purposes. The applicable Pricing Supplement will indicate whether we intend to treat the Notes as consisting of a put option and a deposit for U.S. federal income tax purposes. This section describes the U.S. federal income tax consequences of the purchase, beneficial ownership and disposition of a Note that we intend to treat as consisting of a put option and a deposit.

There are no Treasury regulations, published rulings or judicial decisions addressing the treatment for U.S. federal income tax purposes of Notes with terms that are substantially the same as the Notes described in this section. We intend to treat each Note described in this section as consisting of (1) a put option written by the holder (the "Put Option") that, depending on the terms of the Notes, requires the holder to purchase the Reference Share or Reference Shares from us at maturity for an amount equal to the Deposit (as defined below) or permits us to cash-settle the Put Option and (2) a deposit with us of cash, in an amount equal to the principal amount of the Note (the "Deposit") to secure the U.S. holder's potential obligation under the Put Option. Pursuant to the terms of the Notes, each holder agrees to such treatment for all U.S. federal income tax purposes. Except for the possible alternative treatments described below, the balance of this summary assumes that the Notes are so treated.

We intend to treat a portion of the stated interest payments on a Note described in this section as interest or original issue discount on the Deposit, and the remainder as put premium in respect of the Put Option (the "Put Premium"). The portion of the stated interest rate on a Note described in this section that constitutes interest or original issue discount on the Deposit and the portion that constitutes Put Premium will be specified in the applicable Pricing Supplement.

If the term of a Note described in this section is more than one year, U.S. holders should include the portion of the stated interest payments on the Note that is treated as interest in income, as described above under "—U.S. Federal Income Tax Treatment of the Notes as Indebtedness for U.S. Federal Income Tax Purposes—Payments of Interest."

If the term of a Note described in this section is one year or less, the Deposit should be treated as a short-term obligation as described above under "—U.S. Federal Income Tax Treatment of the Notes as Indebtedness for U.S. Federal Income Tax Purposes—Short-Term Debt Instruments."

The Put Premium should not be taxable to a U.S. holder upon its receipt. If the Put Option expires unexercised, the U.S. holder should recognize the total Put Premium received as short-term capital gain at such time.

If the Put Option is exercised and you receive the Reference Share or Reference Shares, a U.S. holder will be deemed to have applied the Deposit principal amount toward the physical settlement of the Put Option. In such case, a U.S. holder generally will not recognize gain or loss with respect to the Put Premium or the Reference Share or Reference Shares received. Instead, a U.S. holder generally will have an aggregate tax basis in the Reference Share or Reference Shares (including any fractional shares) received in an amount equal to the principal amount of the Deposit less the Put Premium received, and, in the event that the U.S. holder receives Reference Shares, such basis will be allocated proportionately among the Reference Shares (including any fractional shares) received. A U.S. holder's holding period for any Reference Share or Reference Shares received will begin on the day immediately after receipt of the Reference Share or Reference Shares. With respect to any cash received in lieu of a fractional share of a Reference Share, a U.S. holder will recognize short-term capital gain or loss in an amount equal to the difference between the amount of such cash received and the U.S. holder's tax basis in such fractional Reference Share (determined in the manner described above).

If the Put Option is exercised and we cash settle the Put Option, a U.S. holder should generally recognize a short-term capital gain or loss equal to (i) the amount of cash received plus the total Put

Premium received less (ii) the amount of the Deposit, plus accrued but unpaid acquisition discount or original issue discount on the Deposit.

Upon the cash settlement of a Put Option, a cash method U.S. holder of a short-term obligation that does not elect to accrue original issue discount in income currently will recognize ordinary income equal to the accrued and unpaid original issue discount.

Upon a sale, or other taxable disposition of a Note described in this section for cash, a U.S. holder should allocate the cash received between the Deposit and the Put Option on the basis of their respective values on the date of sale. The U.S. holder should generally recognize gain or loss with respect to the Deposit in an amount equal to the difference between the amount of the sales proceeds allocable to the Deposit (less accrued and unpaid "qualified stated interest" or accrued original issue discount that the U.S. holder has not included in income, which will be treated as ordinary interest income) and the U.S. holder's adjusted tax basis in the Deposit (which will generally equal the initial purchase price of the Note increased by any accrued original issue discount previously included in income on the Deposit and decreased by the amount of any payment (other than an interest payment that is treated as qualified stated interest) received on the Deposit). Such gain or loss should be capital gain or loss and should be long-term capital gain or loss if the U.S. holder has held the Deposit for more than one year at the time of such disposition. The deductibility of capital losses is subject to certain limitations. If the Put Option has a positive value on the date of a sale of a Note, the U.S. holder should recognize short-term capital gain equal to the portion of the sale proceeds allocable to the Put Option plus any previously received Put Premium. If the Put Option has a negative value on the date of sale, the U.S. holder should be treated as having paid the buyer an amount equal to the negative value in order to assume the U.S. holder's rights and obligations under the Put Option. In such a case, the U.S. holder should recognize a short-term capital gain or loss in an amount equal to the difference between the total Put Premium previously received and the amount of the payment deemed made by the U.S. holder with respect to the assumption of the Put Option. The amount of the deemed payment will be added to the sales price allocated to the Deposit in determining the gain or loss in respect of the Deposit. The deductibility of capital losses is subject to certain limitations.

We will not attempt to ascertain whether any Reference Fund or any issuer of any securities owned by any Reference Fund would be treated as a PFIC or United States real property holding corporation ("**USRPHC**"), both as defined for U.S. federal income tax purposes. If any Reference Fund or any issuer of any security owned by any Reference Fund were so treated, certain adverse U.S. federal income tax consequences might apply. You should refer to information filed with the SEC and other authorities by the Reference Fund or Reference Funds and the issuers of securities owned by any Reference Fund, and consult your tax advisor regarding the possible consequences to you if a Reference Fund or one or more issuers of securities owned by a Reference Fund is or becomes a PFIC or a USRPHC.

Although we intend to treat each Note described in this section as consisting of a Deposit and a Put Option, there are no Treasury regulations, published rulings or judicial decisions addressing the characterization of securities with terms that are substantially the same as those of the Notes described in this section, and therefore the Notes could be subject to some other characterization or treatment for U.S. federal income tax purposes. For example, the Notes could be treated as contingent payment debt instruments for U.S. federal income tax purposes. In such a case, in general, U.S. holders should be treated as described above under "—U.S. Federal Income Tax Treatment of the Notes as Indebtedness for U.S. Federal Income Tax Purposes—Contingent Payment Debt Instruments."

Other characterizations and treatments of Notes described in this section are possible. Prospective investors in the Notes described in this section should consult their tax advisors as to the tax consequences to them of purchasing Notes described in this section, including any alternative characterizations and treatments.

Certain Notes Treated as Cash-Settled Options. We may treat certain Notes as cash-settled options for U.S. federal income tax purposes. The applicable Pricing Supplement will indicate whether we intend to treat a Note as a cash-settled option for U.S. federal income tax purposes. This section describes the principal U.S. federal income tax consequences of the purchase, beneficial ownership and disposition of a Note that we intend to treat as a cash-settled option.

Upon a sale, exchange, exercise or expiration of a Note, a U.S. holder should be required to recognize taxable gain or loss in an amount equal to the difference between the amount realized upon such sale, exchange, exercise or expiration and the U.S. holder's tax basis in the Note. A U.S. holder's tax basis in a Note generally will equal such U.S. holder's initial investment in the Note. Such gain or loss would generally be treated as long-term capital gain or loss if the Note was held by the U.S. holder for more than one year at the time of such sale, exchange, exercise or expiration. The deductibility of capital loss is subject to certain exceptions.

If the Notes are characterized as cash-settled options for U.S. federal income tax purposes, then Section 1256 of the Code could apply to the Notes. Section 1256 of the Code requires that certain financial contracts, including "non-equity" options and "dealer equity options", be "marked-to-market" on the last business day of a U.S. holder's taxable year. In addition to certain other requirements, for purposes of Section 1256 of the Code, an option will only be treated as a "non-equity" option or a "dealer equity option" if the option is traded on (or subject to the rules of) a qualified board or exchange. Although there is no authority directly addressing the U.S. federal income taxation of instruments with terms identical to the Notes, assuming that the Notes will not be listed on any securities exchange and that it is not expected that a trading market for the Notes will develop, the Notes should not be treated as "non-equity" options or "deal equity options" for purposes of Section 1256 of the Code, and as a result Section 1256 of the Code should not apply to the Notes. Accordingly, a U.S. holder of a Note should not be required to mark a Note to market and should be required to recognize taxable gain or loss with respect to a Note only upon the sale, exchange, exercise or expiration of the Note.

If, however, the Notes are not characterized as cash-settled options for U.S. federal income tax purposes, then the U.S. federal income tax treatment of the purchase, ownership and disposition of the Notes could differ from the treatment discussed above, with the result that the timing and character of income, gain or loss recognized by a U.S. holder with respect to a Note could differ from the timing and character of income, gain or loss recognized with respect to a Note had the Notes been treated as cash-settled options for U.S. federal income tax purposes. In light of the uncertainty concerning the proper U.S. federal income tax characterization of the Notes, prospective investors are urged to consult their own tax advisors as to the proper characterization and treatment of the Notes for U.S. federal income tax purposes.

We will not attempt to ascertain whether any Reference Fund or any issuer of any securities owned by any Reference Fund would be treated as a PFIC or USRPHC, both as defined for U.S. federal income tax purposes. If any Reference Fund or any issuer of any security owned by any Reference Fund were so treated, certain adverse U.S. federal income tax consequences might apply. You should refer to information filed with the SEC and other authorities by the Reference Fund or Reference Funds and the issuers of securities owned by any Reference Fund, and consult your tax advisor regarding the possible consequences to you if a Reference Fund or one or more issuers of securities owned by a Reference Fund is or becomes a PFIC or a USRPHC.

Certain Notes Treated as Forward Contracts or Other Executory Contracts. We may treat certain Notes as a forward contract or other executory contract for U.S. federal income tax purposes. The applicable Pricing Supplement will indicate whether we intend to treat a Note as a forward contract or other executory contract for U.S. federal income tax purposes. This section describes the principal U.S. federal income tax consequences of the purchase, beneficial ownership and disposition of a Note that we intend to treat as a forward contract or other executory contract.

There are no Treasury regulations, published rulings or judicial decisions addressing the treatment for U.S. federal income tax purposes of Notes with terms that are substantially the same as those described in this section. Accordingly, the proper U.S. federal income tax treatment of the Notes described in this section is uncertain. Under one approach, the Notes would be treated as forward contracts or other executory contracts with respect to the Reference Share or Reference Shares. We intend to treat each Note described in this section consistent with this approach, and pursuant to the terms of the Notes, each holder agrees to such treatment for all U.S. federal income tax purposes. Except for the possible alternative treatments described below, the balance of this summary assumes that the Notes described in this section are so treated.

Unless otherwise indicated in the applicable Pricing Supplement, if a Note that is treated as a forward contract or other executory contract provides for current interest payments, we intend to treat that interest as ordinary income at the time it accrues or is received in accordance with the U.S. holder's regular method of accounting for tax purposes.

A U.S. holder's tax basis in a Note described in this section generally will equal the U.S. holder's cost for the Note. Upon receipt of cash upon maturity or redemption and upon the sale, exchange, retirement or other disposition of the Note, a U.S. holder generally will recognize gain or loss equal to the difference between the amount realized at maturity or on the redemption, sale, exchange, retirement or other disposition and the U.S. holder's tax basis in the Note. Subject to the discussion below regarding "constructive ownership transactions," any such gain or loss upon the maturity, redemption, sale, exchange, retirement or other disposition of the Note generally will constitute capital gain or loss, which will be long-term capital gain or loss if the Note was held for more than one year. Long-term capital gain of non-corporate taxpayers may be eligible for reduced rates of taxation. The deductibility of capital losses is subject to certain limitations.

Despite the foregoing, U.S. holders should be aware that Section 1260 of the Code sets forth rules which are applicable to what it refers to as "constructive ownership transactions." Due to the manner in which it is drafted, the precise applicability of Section 1260 of the Code to any particular transaction is often uncertain. In general, a "constructive ownership transaction" includes a contract under which an investor will receive payment equal to or credit for the future value of any equity interest in a regulated investment company, a real estate investment trust, an S corporation, a partnership, a trust, a common trust fund, a PFIC or a real estate mortgage investment conduit. Under the "constructive ownership" rules, if an investment in the Notes is treated as a "constructive ownership transaction," any long-term capital gain recognized by a U.S. holder in respect of a Note will be recharacterized as ordinary income to the extent such gain exceeds the amount of "net underlying long-term capital gain" (as defined in Section 1260 of the Code) of the U.S. holder determined as if the U.S. holder had acquired the Reference Shares on the original issue date of the Note at fair market value and sold such Reference Shares at fair market value on the Maturity Date (if the Note was held until the Maturity Date) or on the date of sale or exchange of the Note (if the Note was sold or exchanged prior to the Maturity Date) (the "Excess Gain"). In addition, an interest charge will also apply to any deemed underpayment of tax in respect of any Excess Gain to the extent such gain would have resulted in gross income inclusion for the U.S. holder in taxable years prior to the taxable year of the sale, exchange or maturity of the Note (assuming such income accrued at a constant rate equal to the applicable federal rate as of the date of sale, exchange or maturity of the Note).

Although the matter is not clear, there exists a risk that an investment in the Notes linked to a Reference Share or Reference Shares will be treated as a "constructive ownership transaction." If such treatment applies, it is not entirely clear to what extent any long-term capital gain recognized by a U.S. holder in respect of a Note will be recharacterized as ordinary income. It is possible, for example, that the amount of the Excess Gain (if any) that would be recharacterized as ordinary income in respect of each Note will equal the excess of (i) any long-term capital gain recognized by the U.S. holder in respect of such a Note over (ii) the "net underlying long-term capital gain" such U.S. holder would have had if such U.S. holder had acquired a number of the Reference Shares at fair market value on the original issue date of such Note for an amount equal to the "issue price" of the Note and, upon the date of sale, exchange or maturity of the Note, sold such Reference Shares at fair market value (which would reflect the percentage increase in the value of the Reference Shares over the term of the Note). Accordingly, U.S. holders should consult their tax advisors regarding the potential application of the "constructive ownership" rules.

Although we intend to treat each Note described in this section as a forward contract or other executory contract as described above, there are no Treasury regulations, published rulings or judicial decisions addressing the characterization of securities with terms that are substantially the same as those of the Notes described in this section, and therefore the Notes could be subject to some other characterization or treatment for U.S. federal income tax purposes. For example, the Notes could be treated as "contingent payment debt instruments" for U.S. federal income tax purposes. In this case, in general, U.S. holders should be treated as described above under "—U.S. Federal Income Tax Treatment of the Notes as Indebtedness for U.S. Federal Income Tax Purposes—Contingent Payment Debt Instruments."

In addition, certain proposed Treasury regulations require the accrual of income on a current basis for contingent payments made under certain "notional principal contracts." The preamble to the proposed Treasury regulations states that the "wait and see" method of accounting does not properly reflect the economic accrual of income on those contracts, and requires current accrual of income for some contracts already in existence. While the proposed Treasury regulations do not apply to forward contracts, the preamble to the proposed Treasury regulations indicates that similar timing issues exist in the case of pre-paid forward contracts. If the IRS or the U.S. Treasury Department publishes future guidance requiring current economic accrual for contingent payments on pre-paid forward contracts, it is possible that a U.S. holder could be required to accrue income over the term of the Notes described in this section.

In addition, it is possible that the Notes could be treated as representing an ownership interest in the Reference Shares or Reference Shares for U.S. federal income tax purposes, in which case a U.S. holder's U.S. federal income tax treatment could be different than described above.

Other alternative U.S. federal income tax characterizations or treatments of the Notes described in this section are possible, and if applied could also affect the timing and the character of the income or loss with respect to the Notes.

We will not attempt to ascertain whether any Reference Fund or any issuer of any securities owned by any Reference Fund would be treated as a PFIC or USRPHC, both as defined for U.S. federal income tax purposes. If any Reference Fund or any issuer of any security owned by any Reference Fund were so treated, certain adverse U.S. federal income tax consequences might apply. You should refer to information filed with the SEC and other authorities by the Reference Fund or Reference Funds and the issuers of securities owned by any Reference Fund, and consult your tax advisor regarding the possible consequences to you if a Reference Fund or one or more issuers of securities owned by a Reference Fund is or becomes a PFIC or a USRPHC.

Prospective investors in the Notes described in this section should consult their tax advisors as to the tax consequences to them of purchasing the Notes, including any alternative characterizations and treatments.

Tax Return Disclosure Regulations

Pursuant to Treasury regulations (the "**Disclosure Regulations**"), any taxpayer that has participated in a "reportable transaction" and that is required to file a U.S. federal income tax return must generally attach a disclosure statement disclosing such taxpayer's participation in the reportable transaction to the taxpayer's tax return for each taxable year for which the taxpayer participates in the reportable transaction. A penalty in the amount of $10,000 in the case of a natural person and $50,000 in any other case is imposed on any taxpayer that fails to file a reportable transaction disclosure statement. The Disclosure Regulations provide that, in addition to certain other transactions, a "loss transaction" constitutes a "reportable transaction." A "loss transaction" is any transaction resulting in the taxpayer claiming a loss under Section 165 of the Code in an amount equal to or in excess of certain threshold amounts. The Disclosure Regulations specifically provide that a loss resulting from a "Section 988 transaction" (as defined in Section 988(c)(l) of the Code relating to foreign currency transactions) will constitute a Section 165 loss. In the case of individuals or trusts, whether or not the loss flows through from an S corporation or partnership, if the loss arises with respect to a Section 988 transaction, the applicable threshold amount is $50,000 in any single taxable year. Higher threshold amounts apply depending upon the taxpayer's status as a corporation, partnership, or S corporation, as well as certain other factors. It is important to note, however, that the Disclosure Regulations provide that the fact that a transaction is a reportable transaction shall not affect the legal determination of whether the taxpayer's treatment of the transaction is proper. Holders should consult their own tax advisors concerning the potential application of the Disclosure Regulations to the Notes.

Tax Treatment of Non-U.S. Holders

The following discussion assumes that a particular Note will be treated for U.S. federal income tax purposes consistently with the intended treatment of the Note, as described in "—U.S. Federal Income Tax Treatment of the Notes as Indebtedness for U.S. Federal Income Tax Purposes", "—U.S. Federal Income Tax Treatment of the Notes Other Than as Indebtedness for U.S. Federal Income Tax Purposes—Certain Notes Treated as a Put Option and a Deposit", "—U.S. Federal Income Tax Treatment of the Notes Other Than as Indebtedness for U.S. Federal Income Tax Purposes—Certain Notes Treated as a Cash-Settled Options" or "—U.S. Federal Income Tax Treatment of the Notes Other Than as Indebtedness for U.S. Federal Income Tax Purposes—Certain Notes Treated as Forward Contracts or Other Executory Contracts". If this assumption proves incorrect, the U.S. federal income tax consequences to the non-U.S. holder with respect to such Note could differ materially from the discussion set forth in this section.

Except as provided below, payments on the Notes to non-U.S. holders will not be subject to U.S. federal withholding tax if the following conditions are satisfied:

- the non-U.S. holder does not actually or constructively own 10% or more of the total combined voting power of all classes of our stock entitled to vote;

- the non-U.S. holder is not a controlled foreign corporation for U.S. federal income tax purposes that is related to us through actual or constructive ownership;

- the non-U.S. holder is not a bank receiving interest on a loan made in the ordinary course of its trade or business;

- interest payable on the Notes is either (a) not determined by reference to any receipts, sales or other cash flow, income or profits, change in the value of any property of, or any dividend or similar payment made by us or a person related to us, within the meaning of Section 871(h)(4)(A) of the Code or (b) determined by reference to changes in the value of actively traded property or an index of the value of actively traded property, within the meaning of Section 871(h)(4)(C)(v) of the Code; and

- the payments are not effectively connected with a trade or business conducted by the non-U.S. holder in the United States and either (a) the non-U.S. holder provides a correct, complete and executed IRS Form W-8BEN or Form W-8IMY (or successor form) with appropriate attachments, or (b) the non-U.S. holder holds its Note through a qualified intermediary (generally a foreign financial institution or clearing organization or a non-U.S. branch or office of a U.S. financial institution or clearing organization that is a party to a withholding agreement with the IRS) which has provided an IRS Form W-8IMY and has received documentation upon which it can rely to treat the payment as made to a foreign person.

If any of these conditions are not satisfied, interest (including original issue discount) on the Notes may be subject to a 30% withholding tax, unless an income tax treaty reduces or eliminates the tax or the interest is effectively connected with the conduct of a U.S. trade or business and, in either case, certain certification requirements are met. If such non-U.S. holder is a foreign corporation, it may be subject to an additional branch profits tax equal to 30% (or such lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

Notwithstanding the foregoing, we will generally withhold tax at a 30% rate on interest payments paid on Notes that we intend to treat as either (1) forward contract or other executory contract, or (2) consisting of a Put Option and a Deposit, unless such rate is reduced or eliminated by an "other income" or similar provision of an applicable income tax treaty, provided the relevant certification requirements are satisfied.

Any interest payments that are effectively connected with a non-U.S. holder's conduct of a trade or business within the United States, are not subject to the withholding tax, provided the relevant certification requirements are satisfied, but instead are subject to U.S. federal income tax, as described below. If such non-U.S. holder is a foreign corporation, it may be subject to an additional branch profits tax equal to 30% (or such lower rate provided by an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

In general, gain realized on the sale, exchange, retirement, redemption or other disposition of the Notes by a non-U.S. holder will not be subject to U.S. federal income tax, unless:

- the gain with respect to the Notes is effectively connected with a trade or business conducted by the non-U.S. holder in the United States, or

- the non-U.S. holder is a nonresident alien individual who holds the Notes as a capital asset and is present in the United States for more than 182 days in the taxable year of the sale and certain other conditions are satisfied.

If the gain realized on the sale, exchange, retirement, redemption or other disposition of the Notes by the non-U.S. holder is described in either of the two preceding bullet points, the non-U.S. holder may be subject to U.S. federal income tax with respect to the gain except to the extent that an income tax treaty reduces or eliminates the tax and the appropriate documentation is provided.

Notice 2008-2

In Notice 2008-2, the IRS and the Treasury Department requested comments as to whether the purchaser of an exchange traded note or pre-paid forward contract (which may include a Note that we intend (and you agree) to treat as a forward contract or other executory contract, or as consisting of a Put Option and a Deposit, for U.S. federal income tax purposes) should be required to accrue income during its term under a mark-to-market, accrual or other methodology, whether income and gain on such a Note or contract should be ordinary or capital, and whether foreign holders should be subject to withholding tax on any deemed income accrual. Accordingly, it is possible that Treasury regulations or other guidance could provide that a U.S. holder of such a Note is required to accrue income in respect of the Note prior to the receipt of payments under the Note or its earlier sale. Moreover, it is possible that any such Treasury regulations or other guidance could treat all income and gain of a U.S. holder in respect of a Note as ordinary income (including gain on a sale), or that the Notes should be subject to the special constructive ownership rules of Section 1260 of the Code. Finally, it is possible that a non-U.S. holder of the Note could be subject to U.S. withholding tax in respect of a Note. It is unclear whether any Treasury regulations or other guidance would apply to the Notes (possibly on a retroactive basis). Prospective investors are urged to consult with their tax advisors regarding Notice 2008-2 and the possible effect to them of the issuance of Treasury regulations or other guidance that affects the U.S. federal income tax treatment of the Notes.

Information Reporting and Backup Withholding

Distributions made on the Notes and proceeds from the sale of Notes to or through certain brokers may be subject to a backup withholding tax on "reportable payments" unless, in general, the holder complies with certain procedures or is an exempt recipient. Any amounts so withheld from distributions on the Notes generally will be refunded by the IRS or allowed as a credit against the holder's U.S. federal income tax, provided the holder makes a timely filing of an appropriate tax return or refund claim.

Reports will be made to the IRS and to holders that are not excepted from the reporting requirements. THE PRECEDING DISCUSSION IS ONLY A SUMMARY OF CERTAIN OF THE TAX IMPLICATIONS OF AN INVESTMENT IN NOTES. PROSPECTIVE INVESTORS ARE URGED TO CONSULT WITH THEIR OWN TAX ADVISORS PRIOR TO INVESTING TO DETERMINE THE TAX IMPLICATIONS OF SUCH INVESTMENT IN LIGHT OF EACH SUCH INVESTOR'S PARTICULAR CIRCUMSTANCES.