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Prospectus Supplement
August 16, 2018
(To Prospectus dated February 25, 2016)

U.S.\$3,750,000,000



AT&T Inc.

U.S.\$3,750,000,000 Floating Rate Global Notes due 2024

We will pay interest on the Floating Rate Global Notes due 2024 (the “Notes”) at a rate equal to the Applicable LIBOR Rate (as defined herein, based on the three-month LIBOR, except as noted below with respect to the first interest payment), reset quarterly, plus 118 basis points, on March 12, June 12, September 12 and December 12 each year. The first such payment will be made on September 12, 2018 (short first coupon). For the first short interest payment, the Applicable LIBOR Rate will be 2.01632%. The Notes will mature on June 12, 2024.

We may redeem the Notes at the prices and at the times indicated under the heading “Description of the Notes” beginning on page S-6 of this prospectus supplement. The Notes will be issued in minimum denominations of \$2,000 and integral multiples of \$1,000 thereafter.

See “[Risk Factors](#)” on page S-3 of this prospectus supplement and beginning on page 37 of our 2017 Annual Report to Stockholders, portions of which are filed as Exhibit 13 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and “Risk Factors” beginning on page 69 of our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018, which are incorporated by reference herein, to read about factors you should consider before investing in the Notes.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	<u>Per Note</u>	<u>Total</u>
Initial public offering price	100.000%	\$3,750,000,000
Underwriting discounts	0.325%	\$ 12,187,500
Proceeds, before expenses, to AT&T (1)	99.675%	\$3,737,812,500

(1) The underwriters have agreed to reimburse us for certain of our expenses. See “Underwriting.”

The initial public offering price set forth above does not include accrued interest, if any. Interest on the Notes will accrue from August 22, 2018.

The underwriters expect to deliver the Notes in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Banking S.A. and Euroclear Bank S.A./N.V., against payment in New York, New York on August 22, 2018.

Joint Book-Running Managers

Citigroup

J.P. Morgan

Morgan Stanley

Co-Manager

Goldman Sachs & Co. LLC

[Table of Contents](#)**SUMMARY OF THE NOTES OFFERING**

Issuer	<u>AT&T Inc.</u>
Securities Offered	U.S.\$3,750,000,000 aggregate <u>principal amount</u> of Floating Rate Global Notes due 2024 (the "Notes").
Maturity Date	<u>June 12, 2024, at par.</u>
Interest Rate	The Notes will bear interest from August 22, 2018 at a floating rate equal to the Applicable LIBOR Rate (as defined herein, based on the <u>three-month LIBOR</u> , except with respect to the first interest payment), <u>reset quarterly, plus 118 basis points, payable quarterly in arrears</u> . For the <u>first short interest payment</u> , the Applicable LIBOR Rate will be <u>2.01632%</u> .
Interest Payment Dates	$\text{COUPON} = \text{FACE VALUE} \times \left[L(t; -\frac{1}{4}, t;) + 1.18\% \right] \times \frac{1}{4}$ <p>Quarterly on each March 12, June 12, September 12 and December 12 of each year, commencing on September 12, 2018 (short first coupon); provided however, that if any such interest payment date would fall on a day that is not a LIBOR business day (as defined herein), other than the interest payment date that is also the date of maturity, that interest payment date will be postponed to the next succeeding LIBOR business day, unless the next succeeding LIBOR business day is in the next succeeding calendar month, in which case such interest payment date shall be the immediately preceding LIBOR business day; and provided further, that if the date of maturity is not a LIBOR business day, payment of principal and interest will be made on the next succeeding business day and no interest will accrue for the period from and after such date of maturity.</p>
Optional Redemption	Except in connection with certain tax events, the Notes are <u>not redeemable at our option</u> . See "Description of the Notes — Redemption Upon a Tax Event." NON CALLABLE
Markets	The Notes are offered for sale in those jurisdictions in the United States, Canada, Europe and Asia where it is legal to make such offers. See "Underwriting."
No Listing	The Notes are <u>not being listed on any organized exchange or market</u> . NOT TRADED
Form and Settlement	The Notes will be issued in the form of one or more fully registered global notes which will be deposited with, or on behalf of, The Depository Trust Company — known as DTC — as the depository, and registered in the name of Cede & Co., DTC's nominee. Beneficial interests in the global notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the global notes through either DTC (in the United States), Clearstream Banking S.A. or Euroclear Bank S.A./N.V., as operator of the Euroclear System (outside of the United States), if they are



AWILCO DRILLING PLC
(A public limited company organized under the laws of England and Wales)

**Listing of Bonds issued by Awilco Drilling PLC in a
USD125 million Senior Secured Callable Bond issue with maturity in 2019**
ISIN: NO 001070928.0

This prospectus (the “**Prospectus**”) relates to, and has been prepared in connection with the listing (the “**Listing**”) on Oslo Børs, a stock exchange operated by Oslo Børs ASA (“**Oslo Børs**”), of bonds (the “**Bonds**”) which were issued by Awilco Drilling PLC (the “**Company**” or the “**Issuer**”) on 9 April 2014 in a USD 125 million senior secured callable bond issue with maturity in April 2019 (the “**Bond Issue**”).

The Bonds are expected to be listed and tradable on Oslo Børs on or about 2 July 2014.

The distribution of this Prospectus may in certain jurisdictions be restricted by law. Accordingly, this Prospectus may not be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The Company and the Manager (as defined below) requires persons in possession of this Prospectus to inform themselves about, and to observe, any such restrictions.

This Prospectus and the Bonds shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo City Court as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of, or in connection with the Bonds or this Prospectus.

THIS PROSPECTUS IS A LISTING PROSPECTUS FOR BONDS ALREADY ISSUED BY AWILCO DRILLING PLC. NO SECURITIES ARE BEING OFFERED TO ANY PERSON IN ANY JURISDICTION ON THE BASIS OF THIS PROSPECTUS.

Investing in the Company and the Bonds (including but not limited to the Bonds) involves material risks and uncertainties. See section 2 “Risk Factors”.

Sole Manager and bookrunner

RS Platou Markets AS

30 June 2014

5 THE BONDS

5.1 Overview

On 31 March 2014, Awilco Drilling announced the successful placing of a new senior secured callable bond issue with a total loan amount of USD 125 million (the “**Bonds**” or the “**Bond Issue**”). The issue of the Bonds was approved by the Board on 8 April 2014. The Bonds were issued on 9 April 2014 and will mature on 9 April 2019.

The net proceeds from the Bond Issue (net of legal costs, fees of the Managers and the Trustee and any other agreed costs and expenses) shall, subject to the applicable conditions precedents, be applied as follows:

- (i) firstly, on 14 April 2014 the net proceeds were used to repay the Transocean Seller Note (as defined below) in full; and
- (ii) secondly, the remaining proceeds shall be used for general corporate purposes.

5.2 Listing

The Company has applied for listing of Bonds on Oslo Børs, and admission to trading is expected to be on or about 2 July 2014 with ISIN NO 001 070928.0. Except for the Company's shares, which are listed on Oslo Axess, neither the Company nor any other members of the Group have securities listed on any EEA regulated market.

The Bonds are registered in book-entry form in the VPS under ISIN NO 001 070928.0. The account operator (issuer) for the Bonds is DNB Bank ASA, Securities Services, of Dronning Eufemias Gate 30, 0191 Oslo, Norway.

5.3 The terms and details of the Bonds

Below is an overview of the key terms and details of the Bonds. The full bond agreement for the Bonds (the “**Bond Agreement**”) is included in Appendix A to this Prospectus.

Issuer: Awilco Drilling PLC a UK registered company (registration no. 07114193).

Guarantors: The Issuer's subsidiaries WilPhoenix (UK) Ltd., a UK registered company (registration no 07114213), WilPhoenix (Malta) Ltd., a - Maltese registered company (registration no. C51565) (the “Rig Owning Guarantor”), and Awilco Drilling Pte. Ltd., a Singapore registered company (registration no. 201109168M).

Nature and scope of the guarantees: The guarantees are unconditional and irrevocable on-demand guarantees from the Guarantors. Each Guarantor has waived:

- (a) any requirement that the Bond Trustee or any of the Bondholders in case of an Event of Default first have to make demand upon or seek to enforce remedies against the Issuer;
- (a) any and all defences or objections from any party in or based on underlying relationships, agreements and transactions whatsoever, including, without limitation, any such relationships, agreements or transactions with any third party for Security Interests or otherwise, and right to limit the liability under the guarantee provided hereunder resulting from any failure to give notice of any kind;
- (b) any right to exercise a right of subrogation into the rights of the Bondholders under the Bond Agreement, without the prior written consent of the Bond Trustee until such time that no amounts are outstanding under this Bond Agreement and any other Finance Document;

- (c) any right to claim reimbursement from the Issuer and/or any other Obligor for payment made hereunder until such time that no amounts are outstanding under this Bond Agreement and any other Finance Document; and
- (d) any requirement that additional Security Interests be provided or maintained.

Obligors: The Issuer and the Guarantors (each an "Obligor").

Currency: USD

Loan Amount: USD 125 million

Interest Rate: 7.00% p.a. semi-annual interest payments.

Settlement Date: 9 April 2014.

Final Maturity Date: The date falling five (5) years after the Settlement Date, 9 April 2019.

Amortization: The Bonds shall be repaid pro rata as follows: **AMORTIZING BOND**

- (iii) USD 5,000,000 each Interest Payment Date (semi-annually) commencing on the First Interest Payment Date; and
- (iv) the remaining outstanding amount of the Bonds to be repaid at the Final Maturity Date.

All scheduled redemptions herein will be at 100% of par value (plus accrued unpaid interest on redeemed amount).

First Interest Payment Date: The date falling six (6) months after the Settlement Date, 9 October 2014.

Last Interest Payment Date: Final Maturity Date.

Interest Payment Date: Each 9 April and 9 October in each year. **POSTICIPATI**

Interest Payments: Interest on the Bonds will accrue from (and including) the Settlement Date and shall be payable semi-annually in arrears on the Interest Payment Dates. Day-count fraction is "30/360"; business day convention is "unadjusted". Business day is "Oslo and New York".

The time limit on the validity of claims to interest and repayment of principal: The Bond Agreement does not impose any time limit on the validity of claims to interest and repayment of principal. The general period of limitation under Norwegian law, by which the Bonds are governed, is three years, meaning that the time limit for any claims for the payment of interest be three years from the due date for such payment. Pursuant to an exemption from the main rule, the time limit for claims for repayment of the principal amount of the Bonds is 10 years from the due date.

Issue Price: 100% of par value. **EMESSE ALLA PARI**

Yield: Dependent on the market price. On 9 April 2014 the yield is indicated to 7.1225% p.a. **T.I.R.**

The effective interest rate/yield per annum has been calculated based on a nominal interest rate/yield of 7% per annum with semi-annual interest payments according to the effective interest rate formula stated below:

$$R = (1+i/n)^n - 1$$

Where:

R = effective interest rate

I = nominal interest rate

N=number of annual interest payments

Assuming that the bonds trade at par the effective annual interest rate is: $R = (1+7\%/2)^2 - 1$, this gives an effective interest rate of 7.1225% per year.

Nominal value: The Bonds will have a nominal value of USD 1. Minimum subscription and allotment amount shall be USD 200,000.

Status of the Bonds: The Bonds shall constitute senior debt of the Issuer and shall be secured on a first priority basis against certain assets of the Obligors as set out herein, and otherwise rank at least pari passu with the claims of the Obligors' other creditors, except for obligations which are mandatorily preferred by law. The Bonds shall rank ahead of any subordinated capital.

Call Options: The Issuer may redeem the Bonds (all or nothing) at any time from and including: **CALLABUO**

- (i) the Settlement Date to, but not including, the date falling two (2) years after Settlement Date at a price equal to: **NEI PRIMI 2 ANNI**
 - a) the present value on the relevant record date of 103.375% of par value as if such payment originally should have taken place on the Interest Payment Date
 - b) falling two (2) years after Settlement Date; and (b) the present value on the relevant record date of the remaining interest payments (less any accrued but
 - c) unpaid interest) through to and including the Interest Payment Date falling two (2) years after Settlement Date, and

- d) accrued but unpaid interests on the redeemed amount, where the present value under both (a) and (b) calculated by using a discount rate of 50 basis points over the comparable U.S. Treasury Rate (i.e. comparable to the remaining duration of the Bonds until the mentioned interest payment date two (2) years after the Settlement Date) on the 10th banking day prior to the repayment date and where "relevant record date" shall mean a date agreed upon between the Trustee and the Issuer in connection with such repayment. The call notice shall be provided no later than 10 banking days prior to the repayment date;
- (ii) the date falling two (2) years after the Settlement Date to, but not including, the date falling three (3) years after the Settlement Date, at a price equal to 103.375% of par value (plus accrued unpaid interest on redeemed amount); **TERZO ANNO**
- (iii) the date falling three (3) years after the Settlement Date to, but not including, the date falling four (4) years after the Settlement Date at a price equal to 102.50% of par value (plus accrued unpaid interest on redeemed amount); and **QUARTO ANNO**
- (iv) the date falling four (4) years after the Settlement Date to, but not including, the Final Maturity Date at a price equal to 101.50% of par value (plus accrued unpaid interest on redeemed amount). **QUINTO ANNO**

Any exercise of the Call Option must be notified by the Company to the Bond Trustee and the Bondholders at least 30 Business Days prior to the settlement date of the Call Option.

Purpose of the Bond Issue: The net proceeds from the Bond Issue (net of legal costs, fees of the Managers and the Trustee and any other agreed costs and expenses) shall, subject to the applicable conditions precedents, be applied as follows:

- (i) firstly, on the Disbursement Date (as defined below), to repay and retire in full the Transocean Seller Note (as defined below) by way of an intercompany loan from the Issuer to the Rig Owning Guarantor (the "**Refinancing Intercompany Loan**"); and
- (ii) secondly, any remaining proceeds shall be released to the Issuer for general corporate purposes.

Transocean Seller Note: In 2010, the Issuer was granted a five year seller's credit from Transocean Inc. of USD 165 million in connection with the acquisition of the Issuer group's two drilling rigs (the Rig and the rig called "WilHunter") from Transocean Inc. The debt is secured inter alia by first priority mortgages over the two drilling rigs, and the borrowers are currently the Rig Owning Guarantor and WilHunter (Malta) Ltd. The outstanding balance as of 1 March 2014 under the Transocean Seller Note was approx. USD 95.3 million (of which USD 60.5 million is owed by the Rig Owning Guarantor and USD 34.8 million is owed by the Issuer's subsidiary WilHunter (Malta) Ltd).

Rig: "WilPhoenix", the 1982 built Friede & Goldman L 907 Enhanced Pacesetter semi-submersible drilling rig built at Gotaverken, Sweden and subsequently upgraded in 2011, with IMO 8752350. The Rig shall be registered with the Office of the Deputy Commissioner of Maritime Affairs of the Republic of Vanuatu or such other registry satisfactory to the Trustee.

Drilling Contracts: The Rig may during the term of the Bond be operating under one or more drilling contracts (each a "**Drilling Contract**") with clients in different jurisdictions (each a "**Client**"). The Rig is currently operating West of Shetland (UK) under a drilling contract dated 3 May 2012 with Premier Oil UK Ltd. (the "**Existing Drilling Contract**"), which will be succeeded by operations under a drilling contract with Apache North Sea Ltd. dated 12 August 2013 (the "**New Drilling Contract**").

Security: All amounts outstanding under the Finance Documents to the Trustee and the bondholders from time to time, including but not limited to interest, default



BAYER AKTIENGESELLSCHAFT

(incorporated in the Federal Republic of Germany)

€ 1,300,000,000 Subordinated Fixed to Floating Rate Callable Bonds due 2105

Issue Price: 98.812 %

Bayer Aktiengesellschaft (the "Issuer") will issue € 1,300,000,000 principal amount of Subordinated Fixed to Floating Rate Callable Bonds (the "Bonds") on July 29, 2005 at an issue price of 98.812% of the principal amount of such Bonds.

The Bonds will bear interest from and including July 29, 2005 to but excluding July 29, 2015 at a rate of 5.00% per annum, payable annually in arrear on July 29 in each year, commencing July 29, 2006. Thereafter, unless previously redeemed, the Bonds will bear interest the Euro-zone inter-bank offered rate for three-month Euro deposits plus 1.80% plus a step-up of 1.00%, payable quarterly in arrear on October 29, January 29, April 29 and July 29 in each year (each a "Floating Rate Interest Payment Date").

In the case of a Cash Flow Event (as defined in "Conditions of Issue – Interest"), the Issuer shall not pay interest on the Bonds. The Issuer is entitled to pay voluntarily such unpaid interest within one year following the Relevant Interest Payment Date on which no interest was paid due to a Cash Flow Event and must pay such unpaid interest under certain circumstances described in "Conditions of Issue – Interest". The Issuer is also entitled, in its sole discretion, to defer payments of interest on an Optional Interest Payment Date (as defined in "Conditions of Issue – Interest"). The Issuer may pay such voluntarily deferred interest (in whole or in part) at any time upon due notice and it shall pay such voluntarily deferred interest (in whole, but not in part) (i) if it decides to pay interest on an Optional Interest Payment Date thereafter, or (ii) under certain other circumstances, but generally no later than 10 years from the date on which such interest was voluntarily deferred, as described in "Conditions of Issue – Interest".

The Bonds will be redeemed on July 29, 2105.

The Bonds are redeemable in whole but not in part at the option of the Issuer at their principal amount together with any interest accrued thereon, on July 29, 2015 and on any Floating Rate Interest Payment Date thereafter. The Issuer may also redeem the Bonds in whole but not in part at any time before July 29, 2015 following a Tax Event or a Gross-up Event (as defined in "Conditions of Issue – Redemption and Purchase") at their Early Redemption Amount (as defined in "Conditions of Issue – Redemption and Purchase").

The obligations of the Issuer under the Bonds constitute unsecured and subordinated obligations of the Issuer ranking *pari passu* among themselves and in the event of the liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of the Issuer rank junior to all other present and future obligations of the Issuer, whether subordinated or unsubordinated, except as otherwise required by mandatory statutory law. In the event of the liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of the Issuer, the obligations of the Issuer under the Bonds will be subordinated to the claims of all unsubordinated and subordinated creditors of the Issuer so that in any such event no amounts shall be payable in respect of the Bonds until the claims of all unsubordinated and subordinated creditors of the Issuer shall have first been satisfied in full. The obligations of the Issuer under the Bonds will be senior to the claims of all classes of the shareholders.

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* ("CSSF"), has been filed with said authority and will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu). It will also be available free of charge upon request at the specified office of the Paying Agent in Luxembourg.

Application has been made to list the Bonds on the regulated market (as defined below) of the Luxembourg Stock Exchange. The Bonds will be issued in bearer form in denominations of € 1,000.

The Issuer has requested CSSF to provide the competent authorities in the Federal Republic of Germany, the United Kingdom of Great Britain and Northern Ireland and The Netherlands with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the *Loi relative aux prospectus pour valeurs mobilières* which implements Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 into Luxembourg law ("Notification").

Joint Lead Managers/Joint Bookrunners

Deutsche Bank
Structuring Advisor

JPMorgan

Co-Lead Managers

BNP PARIBAS

Citigroup

Goldman Sachs International

SUMMARY

The following constitutes the summary (the "Summary") of the essential characteristics of, and risks associated with, the Issuer and the Bonds. This Summary should be read as an introduction to this Prospectus. It does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus. Any decision by an investor to invest in the Bonds should be based on consideration of this Prospectus as a whole. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of such court, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches to those persons who have tabled this Summary including any translation thereof, and applied for its notification, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus.

Words and expressions defined in "Conditions of Issue" below shall have the same meanings in this section.

Summary in respect of the Bonds

Issuer: Bayer Aktiengesellschaft.

Principal Amount: € 1,300,000,000.

Managers: Deutsche Bank AG, London Branch
J.P. Morgan Securities Ltd.
BNP PARIBAS (London Branch)
Citigroup Global Markets Limited
Goldman Sachs International

Principal Paying Agent: JPMorgan Chase Bank, N. A.

Luxembourg Listing Agent and Paying Agent: J.P. Morgan Bank Luxembourg S. A.

Issue Price: 98.812%.

Denomination: The Bonds will be issued in a principal amount of € 1,000 each.

Form of Bonds: The Bonds are in bearer form and are issued pursuant to U. S. Treasury Regulation Section 1.163-5(c)(2)(i)(D) (the "TEFRA D Rules"). The Bonds will initially be represented by a temporary global bearer bond (the "Temporary Global Bond") without interest coupons which will be deposited with a common depositary for Clearstream Banking, société anonyme, Luxembourg, and Euroclear Bank S. A./N. V. as operator of the Euroclear System (together the "Clearing System"). The Temporary Global Bond will be exchangeable for a permanent global bearer bond (the "Permanent Global Bond") without interest coupons not earlier than 40 and not later than 180 days after the issue of the Temporary Global Bond upon certification as to non-U. S. beneficial ownership in accordance with the rules and operating procedures of the Clearing System. Payments on the Temporary Global Bond will only be made against presentation of such certifications. No definitive securities or interest coupons will be issued.

Maturity: July 29, 2105. DURATA 100 ANNI

Early Redemption: The Bonds are redeemable in whole but not in part at the option of the Issuer on July 29, 2015 or any Floating Rate Interest Payment Date thereafter at their

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principal amount plus any interest accrued until the redemption date (exclusive) and all outstanding Arrears of Interest to the redemption date. The Issuer may also redeem the Bonds in whole but not in part at any time before July 29, 2015 following a Tax Event or a Gross Up Event at their Early Redemption Amount.

Interest: The Bonds will bear interest from and including the Issue Date to but excluding July 29, 2015 at a rate of 5.00% per annum on their aggregate principal amount, payable annually in arrear on July 29 of each year, commencing on July 29, 2006. Thereafter, unless previously redeemed, the Bonds will bear interest at the Euro-zone inter-bank offered rate for three-month Euro deposits plus 1.80% plus a step-up of 1.00%, payable quarterly in arrear on October 29, January 29, April 29 and July 29 of each year. In case of a Cash Flow Event, the Issuer shall not pay interest on the Bonds. The Issuer is entitled to voluntarily make up such unpaid interest within one year following the Relevant Interest Payment Date on which no interest was paid due to a Cash Flow Event and must make up such unpaid interest under certain circumstances. In addition, the Issuer is entitled, in its sole discretion, to defer payments of interest on an Optional Interest Payment Date. The Issuer may pay such voluntarily deferred interest (in whole or in part) at any time upon due notice to the Bondholders and the Issuer shall pay such voluntarily deferred interest (in whole, but not in part) (i) if it decides to pay interest on an Optional Interest Payment Date thereafter, or (ii) under certain other circumstances, but generally no later than 10 years from the date on which such interest was voluntarily deferred.

Taxation: All payments in respect to the Bonds will be made free and clear of, and without deduction or withholding at source for or on account of any present or future taxes, duties, assessments or governmental charges of any nature whatsoever imposed, levied, withheld, assessed or collected by or on behalf of the Federal Republic of Germany or by or on behalf of any political subdivision or authority thereof having power to tax, unless such deduction or withholding is required by law. In such event, the Issuer shall pay such additional amounts necessary for the Bondholders to receive net amounts after such deduction or withholding, which are equal to the amounts which would have been received by them without such deduction or withholding, subject to customary exceptions as set out more fully in the Conditions of Issue.

Status of the Bonds: The obligations of the Issuer under the Bonds constitute unsecured and subordinated obligations of the Issuer ranking *pari passu* among themselves and in the event of the liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of the Issuer rank junior to all other present and future obligations of the Issuer, whether subordinated or unsubordinated, except as otherwise required by mandatory statutory law. In the event of the liquidation, dissolution, insolvency, composition or other proceedings for the avoidance of insolvency of the Issuer, the obligations of the Issuer under the Bonds will be subordinated to the claims of all unsubordinated and subordinated creditors of the Issuer so that in any such event no amounts shall be payable in respect of the Bonds until the claims of all unsubordinated and subordinated creditors of the Issuer shall have first been satisfied in full.

Negative Pledge: The Conditions of Issue will not contain a negative pledge provision.

Cross Default: The Conditions of Issue do not contain a cross default clause of the Issuer.

Listing: Application has been made for listing of the Bonds on the regulated market of the Luxembourg Stock Exchange.

Governing Law: The Bonds will be governed by German law.

Credit Suisse, London Branch

EUR 50,000,000 Callable Floored Inverse Fixed/Floating Rate Notes due 2025

Issue Price: 100 per cent. **ALLA PARI**

This document constitutes a securities note (the "Securities Note") for the purposes of Article 5.3 of Directive 2003/71/EC (the "Prospectus Directive"). This Securities Note contains information relating to the Securities. This Securities Note shall be read in conjunction with the registration document (the "Registration Document") dated 22 November 2005 containing information in respect of Credit Suisse London Branch (the "Bank"), as prepared for the purposes of Article 5.3 of the Prospectus Directive. Together, the Registration Document and the Securities Note comprise a "prospectus" (the "Prospectus") for the Securities, prepared for the purposes of Article 5.1 of the Prospectus Directive.

The Securities Note itself comprises two parts. Part one is a pricing supplement (the "Pricing Supplement") which sets out the specific terms and conditions of the Securities and certain information relating thereto and part two is the base terms and conditions of the Securities (the "General Conditions") which are supplemented by the specific terms and conditions set out in the Pricing Supplement.

5 December 2005

PRICING SUPPLEMENT TERMS

Except as set out below, the Securities will be subject to the General Conditions and the following terms (the "Pricing Supplement Terms"):

Not Applicable means an item is not applicable in respect of the Securities. Italics in the left column denote a brief explanation of the Pricing Supplement Terms. Words in italics in the left column are explanatory and do not form any part of the Pricing Supplement Terms.

1	Issue	Callable Floored Inverse Fixed/Floating Rate Notes due 2025
2	Tranche Number:	Not applicable
3	Specified Currency or Currencies:	<u>EUR</u>
4	Aggregate Nominal Amount:	EUR <u>50,000,000</u>
	(i) Series:	Not Applicable
	(ii) Tranche:	Not Applicable
5	Issue Price:	<u>100 per cent. of the Aggregate Nominal Amount</u> ALLA PARI
6	Specified Denominations:	<u>EUR 50,000</u>
7	Issue Date: EMMISSIONE	<u>8 November 2005</u>
8	Maturity Date: SCADENZA	30 June <u>2025</u> ≈ 10Y
9	Interest Basis:	The Securities are a <u>combination of Fixed Rate Securities and Floating Rate Securities</u> (further particulars specified below). Provisions relating to Fixed Rate Securities shall apply during the Fixed Interest Basis Period (as defined below). Provisions relating to Floating Rate Securities shall apply during the Floating Interest Basis Period (as defined below).
10	Redemption/Payment Basis:	<u>Redemption at par</u> RIMBORSO ALLA PARI
11	Change of Redemption/Payment Basis:	Not applicable
12	Put/Call Options:	<u>Call</u> (further particulars specified below) CALLABILE
PROVISIONS RELATING TO INTEREST		
13	Fixed Rate Security Provisions	Applicable during the Fixed Interest Basis Period
	(i) <u>Fixed Interest Basis Period:</u>	The period beginning on (and including) the Issue Date and ending on (but excluding) the Interest Payment Date falling on <u>30 June 2009</u> ~PRIMI 4 ANNI
	(ii) <u>Rate of Interest:</u>	The Rate of Interest in respect of each Interest Period ending on the date specified under the heading "Interest Payment Date in the table below, shall be a rate per annum equal to the

corresponding rate specified under the heading "Rate of Interest" in such table.

Interest Payment Date	Rate of Interest
30 June 2006	7.50 per cent.
30 June 2007	6.00 per cent.
30 June 2008	5.00 per cent.
30 June 2009	5.00 per cent.

TASSO FISSO DECRESCENTE

- (iii) Interest Payment Date(s): 30 June 2006, 30 June 2007, 30 June 2008, 30 June 2009
- (iv) Day Count Fraction (General Condition 4(i)): Actual/Actual -ISMA
- (v) Determination Date(s): Not applicable

14 Floating Rate Security Provisions

Applicable during the Floating Interest Basis Period.

- (i) Floating Interest Basis Period: The period beginning on (and including) the Interest Payment Date falling on June 2009 and ending on (but excluding) the Maturity Date. 2009-2015
- (ii) Rate of Interest: The Rate of Interest in respect of each Interest Period falling in the Floating Interest Basis Period shall be calculated by the Calculation Agent in accordance with the Schedule hereto.
- (iii) Determination Date: Two business days preceding the first day of the relevant Interest Period.
- (iv) Interest Payment Date(s): 30 June in each year, from and including 30 June 2010 to and including the Maturity Date,
- (v) Day Count Fraction Actual/Actual - ISMA
- (vi) Other terms relating to the method of calculating interest for Floating Rate Securities: Calculation of interest
 - The Calculation Agent shall, if applicable, on each Determination Date:
 - (i) determine the Rate of Interest in accordance with paragraph 14(ii) and the Schedule hereto; and
 - (ii) calculate the amount of interest payable in respect of each Security in accordance with General Condition 4(g).

PROVISIONS RELATING TO REDEMPTION

- 15 Final Redemption Amount: The Final Redemption Amount in respect of each Security will be 100 per cent. of the

- 16 Call Option
 - (i) Optional Redemption Date(s): Specified Denomination. Applicable. Any Interest Payment Date, from and including the Interest Payment Date falling on 30 June 2009.
 - (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): 100 per cent. of the Specified Denomination. CALL PRICE = PARITÀ
 - (iii) If redeemable in part:
 - (a) Minimum nominal amount to be redeemed: Not applicable
 - (b) Maximum nominal amount to be redeemed: Not applicable
 - (iv) Option Exercise Date(s): Not applicable
 - (v) Description of any other Bank's option: Not applicable
 - (vi) Notice period (if other than as set out in the Conditions): Not less than 5 Business Days

- 17 Settlement Currency: The Specified Currency

GENERAL PROVISIONS

- 18 Form of Securities: Bearer Securities
 - (i) Temporary or permanent Global Security/Certificate: Permanent Global Security which is exchangeable for Definitive Securities in the limited circumstances specified in the Permanent Global Security.
 - (ii) Applicable TEFRA exemption: C Rules
- 19 Talons for future Coupons or Receipts to be attached to Definitive Securities (and dates on which such Talons mature): No
- 20 Unmatured Coupons to become void on redemption of Securities: Yes
- 21 Additional Financial Centres: London
- 22 Stock Exchange(s) to which application will initially be made to list the Securities: Irish Stock Exchange
(Application may subsequently be made to other stock exchange(s))
- 23 ISIN Code: XS0234552007
- 24 Common Code: 023455200

25	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	Not applicable
26	Delivery:	Delivery versus payment
27	Calculation Agent:	Credit Suisse First Boston International
28	The Agents appointed in respect of the Securities are:	<p>Fiscal Agent: JPMorgan Chase Bank, N.A Trinity Tower 9 Thomas More Street London E1W 1YT</p> <p>Paying Agents: JPMorgan Chase Bank, N.A Trinity Tower 9 Thomas More Street London E1W 1YT</p> <p>J.P. Morgan Bank (Ireland) Plc. JPMorgan House International Financial services Centre Dublin 1</p> <p>Listing Agent: J.P. Morgan Bank (Ireland) PLC JPMorgan House International Financial services Centre Dublin 1</p>
29	Dealer(s):	Credit Suisse First Boston International
30	Additional Provisions:	Not applicable

$$X = 10,75\% - 2 \cdot \text{€ CMS} (1)$$

$$\text{COUPON} = \text{MAX} \left\{ \text{MIN} \left\{ X, 7\% \right\}, 2\% \right\} \times \text{NOMINALE SCHEDULE}$$

The Rate of Interest in respect of the each Interest Period falling in the Floating Interest Basis Period shall be calculated by the Calculation Agent in accordance with the following formula:

$$10.75 \text{ per cent.} - [2 \times \text{EUR 1 Year CMS}]$$

provided that the Rate of Interest applicable in respect of any Interest Period shall not be less than 2.50 per cent. per annum and no more than 7.0 per cent. per annum.

where,

“EUR 1 Year CMS” means the annual swap rate for euro swap transactions with a maturity of one year expressed as a percentage, which appears on the Reuters Screen ISDAFIX2 Page under the heading “EURO LIBOR BASIS - DEM” and above the caption “11.00 AM LONDON” as of 11:00 a.m., London time, on the Determination Date preceding the first day of the relevant Interest Period.

If such rate does not appear on the Reuters Screen ISDAFIX2 Page, the rate for that Interest Period will be a percentage determined on the basis of the mid-market annual swap rate quotations provided by the Reference Banks at approximately 11:00 a.m., London time on that Determination Date. For this purpose, the mid-market annual swap rate means the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction for a period of one year commencing on the first day of the relevant Interest Period for an amount that is representative for a single transaction in the relevant market at the relevant time (a **“Representative Amount”**) with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR LIBOR BBA 6 Month. The Calculation Agent will request the principal office of each of the Reference Dealers to provide a quotation of its rate. If at least three quotations are provided, the rate for that Interest Period will be the arithmetic mean of the quotations, eliminating the highest quotation (or in the event of equality, one of the highest) and the lowest quotation (or in the event of equality, one of the lowest).

“EUR 6 Month LIBOR BBA 6” means the rate for deposits in euros for a period of one year which appears on the Telerate Page 3750 as of 11:00 a.m., London time, on the Determination Date for the relevant Interest Period. If such rate does not appear on Telerate Page 3750, EUR 6 Month LIBOR BBA will be the rate at which deposits in euros are offered by the Reference Banks at approximately 11:00 a.m., London time on that Determination Date to prime banks in the London interbank market for a period of one year commencing on the first day of the relevant Interest Period and in a representative Amount. The Calculation Agent will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided, the rate will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate will be the arithmetic mean of the rates quoted by major banks in London, selected by the Calculation Agent, at approximately 11:00 a.m., London time on that Determination Date for loans in euros to leading European banks for a period of one year commencing on the first day of the relevant Interest Period and in a Representative Amount.

“Reference Banks” means four major banks in the London interbank market; and

“Reference Dealers” means five leading swap dealers in the interbank market.



ERG S.p.A.

(incorporated in the Republic of Italy as a joint stock company)

€100,000,000 2.175 per cent. Notes due 19 January 2023

Issue price: 100 per cent. EMISSIONE
ALLA PARI

The €100,000,000 2.175 per cent. Notes due 19 January 2023 (the **Notes**) are issued by ERG S.p.A. (the **Issuer** or **ERG**). Interest on the Notes is payable annually in arrears on 19 July in each year up to (and including) 19 July 2022 and on 19 January 2023 at the rate of 2.175 per cent. per annum, as described in Condition 4 (*Interest*). Unless previously redeemed or purchased and cancelled, the Issuer will redeem the Notes at their principal amount on 19 January 2023 (the **Maturity Date**). The Notes are subject to redemption in whole, but not in part, at their principal amount, together with accrued interest, at the option of the Issuer at any time in the event of certain changes affecting taxes of the Republic of Italy (**Italy**). Noteholders may require the Issuer to redeem their Notes upon the occurrence of a Change of Control as described in Condition 6.3 (*Redemption and Purchase – Redemption at the Option of the Holders upon a Change of Control*). In addition, if 75 per cent. or more in aggregate principal amount of Notes is redeemed or purchased and cancelled at any time, the Issuer will have the option to redeem in whole, but not in part, all the remaining Notes at any time prior to their Maturity Date and in accordance with Condition 6.4 (*Redemption and Purchase – Redemption at the Option of the Issuer (Clean-up Call)*).

COUPON
BOND

CALLABLE
AT PAR

Application has been made to the *Commission de Surveillance du Secteur Financier* (the **CSSF**) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005, as amended (the **Luxembourg Act**) on prospectuses for securities to approve this document as a prospectus and to the Luxembourg Stock Exchange for the listing of the Notes on the Official List of the Luxembourg Stock Exchange and admission to trading on the Luxembourg Stock Exchange's regulated market. By approving this Prospectus, the CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Prospectus or the quality or solvency of the Issuer in accordance with Article 7(7) of the Luxembourg Act.

References in this Prospectus to Notes being listed (and all related references) shall mean that such Notes have been admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

The Notes will be issued in new global note (**NGN**) form and are intended to constitute eligible collateral for Eurosystem monetary policy, provided the other eligibility criteria are met.

The Notes will be in bearer form and will initially be represented by a temporary global note (the **Temporary Global Note**), without interest coupons, which will be deposited on or prior to 19 July 2017 (the **Closing Date** and the **Issue Date**) with a common safekeeper for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the **Permanent Global Note** and, together with the Temporary Global Note, the **Global Notes**), without interest coupons, on or after a date which is expected to be 28 August 2017 (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances (see "*Overview of Provisions relating to the Notes while represented by the Global Notes*").

An investment in Notes involves certain risks. Prospective investors should have regard to the factors described under the heading "Risk Factors" on page 6.

Joint Lead Managers

Crédit Agricole CIB

UniCredit Bank

The date of this Prospectus is 17 July 2017.

OFFERING CIRCULAR

Atlas Reinsurance VII Limited

\$60,000,000 Class A Principal-at-Risk Variable Rate Notes due January 7, 2016

€130,000,000 Class B Principal-at-Risk Variable Rate Notes due January 7, 2016

Atlas Reinsurance VII Limited (the “**Issuer**”) is hereby offering \$60,000,000 Class A Principal-at-Risk Variable Rate Notes due January 7, 2016 (the “**Class A Notes**”) and €130,000,000 Class B Principal-at-Risk Variable Rate Notes due January 7, 2016 (the “**Class B Notes**”) and, together with the Class A Notes, the “**Notes**”). Each of the Class A Notes and the Class B Notes are referred to herein as a “**Class**” or “**Class of Notes**.”

The Issuer is an Irish private limited company authorized as a special purpose reinsurance vehicle in Ireland. The Issuer’s business will consist solely of the issuance of the Notes and the entering into and performance of the Reinsurance Agreements, and related agreements and activities, including the acquisition and holding of the Permitted Investments. The purpose for offering each Class of Notes (this “**Offering**”) is to collateralize and fund the Issuer’s obligations under the corresponding Reinsurance Agreement pursuant to which the Issuer will be required to make certain payments to the Ceding Reinsurer upon the occurrence of certain specified Covered Events during the applicable Risk Period, as further described in this Offering Circular.

This Offering Circular has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under the Prospectus Directive 2003/71/EC (the “**Prospectus Directive**”). The Central Bank only approves this Offering Circular as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive 2003/71/EC. Application will be made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. There can be no assurance that such application will be successful. The regulated market is a regulated market for the purposes of Directive 2004/39/EC. This Offering Circular constitutes a prospectus for the purposes of the Prospectus Directive 2003/71/EC and will be filed with the Companies Registration Office of Ireland in accordance with Regulation 38(1)(b) of Prospectus (Directive 2003/71/EC) Regulations, 2005.

(Continued on next page)

Investing in the Notes is speculative and involves a high degree of risk. See “**Risk Factors**” beginning on page 55 of this Offering Circular for a discussion of certain factors to be considered in connection with an investment in the Notes.

The Notes are with limited recourse to certain assets of the Issuer and without recourse to the Ceding Reinsurer and its affiliates.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY U.S. STATE OR FOREIGN SECURITIES LAWS, AND THE ISSUER IS NOT AND WILL NOT BE REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE “INVESTMENT COMPANY ACT”). THE NOTES ARE BEING OFFERED AND SOLD IN BOOK-ENTRY FORM ONLY TO INVESTORS WHO (I) ARE “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A (“RULE 144A”) UNDER THE SECURITIES ACT (“QUALIFIED INSTITUTIONAL BUYERS”), THAT, WITH RESPECT TO “U.S. PERSONS” AS DEFINED IN RULE 902(k) UNDER THE SECURITIES ACT (“U.S. PERSONS”), ARE ALSO “QUALIFIED PURCHASERS” AS DEFINED IN SECTION 2(a)(51) OF THE INVESTMENT COMPANY ACT (“QUALIFIED PURCHASERS”); AND (II) ARE RESIDENTS OF, AND PURCHASING IN, AND WILL HOLD THE NOTES IN, A PERMITTED U.S. JURISDICTION OR A PERMITTED NON-U.S. JURISDICTION. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. THE NOTES ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED UNDER “NOTICE TO INVESTORS.” EACH PURCHASER OF THE NOTES IN MAKING ITS PURCHASE WILL BE DEEMED TO HAVE MADE CERTAIN ACKNOWLEDGMENTS, REPRESENTATIONS AND AGREEMENTS AS SET FORTH UNDER “NOTICE TO INVESTORS—REPRESENTATIONS OF PURCHASERS.”

The Notes will be offered by Aon Benfield Securities, Inc., BNP Paribas and Natixis SA (each, an “**Initial Purchaser**” and, together, the “**Initial Purchasers**”), as specified herein, subject to receipt and acceptance by each Initial Purchaser and subject to each Initial Purchaser’s right to reject any order in whole or in part. The Initial Purchasers expect to deliver the Class A Notes through the facilities of DTC and the Class B Notes through the facilities of Euroclear and Clearstream, in each case against payment therefor in immediately available funds on or about November 1, 2012.

Sole Structuring Agent and Joint Bookrunner

Aon Benfield Securities, Inc.

Joint Bookrunner

BNP Paribas

Joint Bookrunner

Natixis

Offering Circular dated November 1, 2012.

OVERVIEW

CLASS A NOTES; CLASS B NOTES

The following overview is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Offering Circular. When a term is defined in this Offering Circular, it is printed in bold-faced type. Certain capitalized terms used but not defined in this overview are used herein as defined elsewhere in this Offering Circular. Annex F to this Offering Circular includes an “**Index of Defined Terms**” that lists defined terms used herein and the page on which such terms are defined. **Prospective investors should consider carefully the information set forth under the caption “Risk Factors” and all other information set forth in this Offering Circular, including the annexes attached hereto, prior to making an investment in the Notes.**

The Offering

Issuer Atlas Reinsurance VII Limited (the “**Issuer**”) is an Irish private limited company authorized as a special purpose reinsurance vehicle in Ireland. The Issuer was incorporated under the laws of Ireland on September 24, 2012 under company number 517967. Wilmington Trust SP Services (Dublin) Limited (the “**Share Trustee**”) holds all of the Issuer’s issued and outstanding share capital in trust for charitable purposes.

The Issuer’s business will consist solely of the issuance of the Notes and the entering into and performance of the Reinsurance Agreements, and related agreements and activities, including the acquisition and holding of the Permitted Investments.

The Issuer does not, and will not, engage in any other business, incur indebtedness for money borrowed (other than the Notes), pay dividends or make other distributions on its capital (other than a distribution upon liquidation of the Issuer) or enter into any contract of insurance or reinsurance or any other risk transfer contract other than the Reinsurance Agreements, and related agreements, as applicable.

Notes Offered \$60,000,000 Class A Principal-at-Risk Variable Rate Notes due January 7, 2016 (the “**Class A Notes**”), which are exposed to U.S. Hurricane Events affecting the U.S. Hurricane Covered Area and U.S. Earthquake Events affecting the U.S. Earthquake Covered Area on an aggregate basis during each Loss Period within the applicable Risk Period.

€130,000,000 Class B Principal-at-Risk Variable Rate Notes due January 7, 2016 (the “**Class B Notes**”) and, together with the Class A Notes, the “**Notes**”), which are exposed to Europe Windstorm Events affecting the Europe Windstorm Covered Area on a per occurrence basis during the applicable Risk Period.

Purpose of Offering The Issuer is issuing each Class of Notes to collateralize and fund its obligations under the corresponding Reinsurance Agreement to make certain payments to the Ceding Reinsurer upon the occurrence of certain specified Covered Events during the applicable Risk Period, as further described in this Offering Circular.

Ceding Reinsurer SCOR Global P&C SE, acting for itself and on behalf of any affiliate of SCOR SE (the “**Ceding Reinsurer**”). SCOR Global P&C SE is a member of the SCOR group of companies.

As of the date of this Offering Circular, SCOR Global P&C SE's financial strength was rated "A+ (stable)" by Standard & Poor's Credit Market Services Europe Limited, "A1 (stable)" by Moody's Investors Service Limited, "A (stable)" by A.M. Best Europe Ratings Services Limited and "A+ (stable)" by Fitch Ratings Limited, each of which rating agencies is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (the "Credit Rating Agency Regulation").

Prospective investors should consider carefully the information set forth under the caption "Risk Factors—Ratings" before making an investment in the Notes.

Offering Price For each Class of Notes, 100% of the Original Principal Amount (the "Offering Price"). **ALLA PARLI**

Issuance Date The date on which the Notes are issued, which is expected to be on or about November 1, 2012 (the "Issuance Date").

Use of Proceeds On the Issuance Date, all of the proceeds paid to the Issuer from the sale of each Class of Notes will be deposited into a separate Collateral Account for such Class and will be available to satisfy the obligations of the Issuer to the Ceding Reinsurer under the corresponding Reinsurance Agreement.

Following the purchase of the EBRD Notes and until the applicable Redemption Date, the Permitted Investments for each Class of Notes will consist solely of EBRD Notes, unless, among other circumstances described herein:

- (i) an EBRD Put Event occurs that results in a redemption of EBRD Notes, in which case, unless such EBRD Put Event has occurred after the date that is at least thirteen (13) Business Days prior to the Payment Date immediately prior to the applicable Redemption Date, the proceeds of such redemption will be used to purchase Money Market Fund Shares to the extent that they are available and the Money Market Fund satisfies the Money Market Fund Criteria; or
- (ii) the Ceding Reinsurer is required to make a Negative Index Payment under the applicable Reinsurance Agreement, in which case the related amounts will be used to purchase Money Market Fund Shares to the extent that they are available and the Money Market Fund satisfies the Money Market Fund Criteria.

To the extent that Money Market Fund Shares are not available or the Money Market Fund does not satisfy the Money Market Fund Criteria, cash will remain uninvested as a cash credit balance in the applicable Collateral Account.

The maturity date of the EBRD Notes will occur on January 8, 2018 for the Dollar-Denominated EBRD Notes and January 8, 2018 for the Euro-Denominated EBRD Notes, and EBRD Notes are subject to early redemption as described further herein.

Limited Recourse Holders of each Class of Notes will have recourse only to the Collateral related to such Class of Notes and will not have recourse to

any other property or assets of the Issuer, including the Excess Accounts or the Collateral related to any other Class of Notes. Holders of each Class of Notes will rank *pari passu* with all other holders of such Class of Notes.

No Recourse Neither the Ceding Reinsurer nor any of its affiliates is a guarantor of, or obligor on, the Notes. Noteholders will not have any recourse to or against the Ceding Reinsurer or any of its affiliates for any amounts due and payable by the Issuer to any Noteholder for any reason, including in the event of a default by the Issuer.

The Notes

I. Principal Amount

Original Principal Amount For each Class of Notes, the principal amount of such Class upon original issuance thereof (the "Original Principal Amount"), which will be (i) \$60,000,000 for the Class A Notes and (ii) €130,000,000 for the Class B Notes.

Outstanding Principal Amount For each Class of Notes, as of any date of determination, the Original Principal Amount of such Class of Notes (i) as reduced by the aggregate of all Principal Reductions applicable to such Class of Notes made on all Payment Dates prior to and including such date and (ii) as increased by the aggregate of all Principal Increases applicable to such Class of Notes made on all Payment Dates prior to and including such date (the "Outstanding Principal Amount"); *provided*, that the Outstanding Principal Amount shall neither be less than zero nor greater than the Original Principal Amount for such Class of Notes. Any such adjustment will be allocated *pro rata* among the holders of the applicable Class of Notes.

Principal Reduction On each Payment Date, the Outstanding Principal Amount of a Class of Notes will be reduced by (i) an amount equal to the Positive Period Loss Payment Amount, if any, relating to such Payment Date and such Class of Notes, plus (ii) the Partial Repayment Amount, if any, relating to such Payment Date and such Class of Notes (each such reduction, a "Principal Reduction"), until the Outstanding Principal Amount of such Class of Notes has been reduced to zero. The aggregate of all Principal Reductions (net of Principal Increases) for a Class of Notes will not exceed the Original Principal Amount of such Class of Notes.

Principal Increase On each Payment Date, the Outstanding Principal Amount of a Class of Notes will be increased by an amount equal to the absolute value of the Negative Period Loss Payment Amount, if any, relating to such Payment Date and such Class of Notes (each such increase, a "Principal Increase").

Repayment Amount For each Class of Notes, 100% of the Outstanding Principal Amount of such Class of Notes, determined as of the Redemption Date, plus, if applicable, any Early Redemption Payment or Optional Redemption Payment (the "Repayment Amount"). On a Redemption Date, Holders of the applicable Class of Notes will receive, to the extent of available funds therefor, the Repayment Amount plus any accrued but unpaid interest on such Class of Notes.

II. Redemption Date

Redemption Date..... For each Class of Notes, the earliest to occur of the Early Redemption Date, the Optional Redemption Date and the Scheduled Redemption Date, in each case as applicable for such Class of Notes, or, following an Extension Event with respect to such Class of Notes, the Extended Redemption Date or Early Redemption Date for such Class of Notes, as the case may be (the “**Redemption Date**”).

Scheduled Redemption Date For each Class of Notes, January 7, 2016 (or, if such day is not a Business Day, the next succeeding Business Day) (the “**Scheduled Redemption Date**”).

Early Redemption Date If an Early Redemption Event has occurred with respect to a Class of Notes, such Class of Notes will be redeemed earlier than the Scheduled Redemption Date or, if applicable, the Extended Redemption Date following such Early Redemption Event. The date of any such early redemption will be the first Payment Date that occurs at least thirty-five (35) calendar days after the date of an Early Redemption Event, but will not be later than the Scheduled Redemption Date or the Extended Redemption Date, as applicable (the “**Early Redemption Date**”). If any Early Redemption Event has occurred for a Class of Notes, the redemption price for such Class of Notes will be the Repayment Amount, which will include the Early Redemption Payment in the case of a Ceding Reinsurer Default Redemption Event or a Solvency II Redemption Event.

Optional Redemption Date..... For each Class of Notes, after the receipt by the Indenture Trustee of a notice of Optional Redemption, the Issuer will redeem all, but not less than all, of the Notes of such Class at a redemption price equal to the Repayment Amount, which will include the Optional Redemption Payment, on either January 1, 2014 or January 1, 2015, as applicable (or, in each case, if such day is not a Business Day, the next succeeding Business Day) (the “**Optional Redemption Date**”).

Extended Redemption Date..... Each January 7, April 7, July 7 and October 7 during an Extension, except that the Extended Redemption Date that would otherwise occur on January 7, 2018 shall instead be on January 9, 2018 (or, if any such day is not a Business Day, the next succeeding Business Day); *provided*, that in no event shall any Extended Redemption Date be later than the Final Extended Redemption Date (each, an “**Extended Redemption Date**”).

III. Early Redemption

Early Redemption Event..... For each Class of Notes, each of the following is an “**Early Redemption Event**” and will occur:

- (i) on the date that the Ceding Reinsurer gives written notice to the Issuer and the Indenture Trustee that it elects to terminate the Reinsurance Agreement for such Class of Notes at any time when the Outstanding Principal Amount of such Class is equal to or less than 10% of the Original Principal Amount of such Class; provided, that such Reinsurance Agreement may not be so terminated, and such Class of Notes may not be so redeemed, (a) prior to, but not including, the fourth (4th) Payment Date following the Issuance Date or (b) while a Minimum Development Period, if any, has commenced and is continuing for such Class of Notes (a “**Clean-Up Call**”

“**Redemption Event**”);

- (ii) on the date that the Ceding Reinsurer gives written notice to the Issuer and the Indenture Trustee that it elects to terminate the Reinsurance Agreement for such Class of Notes, following certification by the Calculation Agent in writing that a Reporting Agency, or its successor, has ceased to provide the information necessary for the Calculation Agent to provide an Event Report for such Class of Notes, and the Calculation Agent was unable within forty-five (45) calendar days to find a replacement for such Reporting Agency reasonably satisfactory to and unaffiliated with the Ceding Reinsurer (a “**Reporting Agency Redemption Event**”);

- (iii) on the date that the Ceding Reinsurer gives written notice to the Issuer and the Indenture Trustee that it elects to terminate the Reinsurance Agreement for such Class of Notes, which date is at least forty-five (45) calendar days after the date of termination of the Calculation Agent Agreement due to a failure by the Calculation Agent to perform its duties and obligations under the Calculation Agent Agreement, if the Issuer, after using its reasonable best efforts, has been unable to engage a suitable substitute calculation agent reasonably satisfactory to and unaffiliated with the Ceding Reinsurer to perform such duties and obligations (a “**Calculation Agent Redemption Event**”);

- (iv) on the date on which there has been a failure by the Ceding Reinsurer under the Reinsurance Agreement for such Class of Notes to make any Premium Payment or Negative Index Payment when due under such Reinsurance Agreement (and such default has not been cured within five (5) Business Days following the date on which the Issuer has provided a written notice of such default to the Ceding Reinsurer) (a “**Ceding Reinsurer Default Redemption Event**”);

- (v) on the date that is specified in a written notice delivered by the Ceding Reinsurer to the Issuer and the Indenture Trustee if, in the Ceding Reinsurer’s sole judgment (following written advice of the Ceding Reinsurer’s counsel with a copy provided to the Issuer and the Indenture Trustee), as a result of any amendment to, or change in, the laws or regulations of any jurisdiction affecting taxation, or any amendment to, or change in, an official published interpretation or application of such taxation laws or regulations on or after the Issuance Date, or any official published supplementary clarification of such taxation laws or regulations on or after the Issuance Date, the Ceding Reinsurer or the Issuer becomes subject to taxation (or increase in taxation) in any jurisdiction which increases the amount of payments payable by the Ceding Reinsurer to the Issuer under the Reinsurance Agreement for such Class of Notes (a “**Change in Tax Law Redemption Event**”);

- (vi) on the date that is specified in a written notice delivered by the Ceding Reinsurer to the Issuer and the Indenture Trustee if, in the Ceding Reinsurer’s sole judgment (following written advice of the Ceding Reinsurer’s counsel with a copy provided to the Issuer and the Indenture Trustee), as a result of any

amendment to, or change in, the laws of any jurisdiction (including a change in any official interpretation or application thereof) becoming effective that would materially and adversely impair (a) the Issuer's ability to lawfully perform its obligations under such Class of Notes or its payment obligations under the Reinsurance Agreement for such Class of Notes or (b) the Ceding Reinsurer's ability to lawfully perform its obligations under the Reinsurance Agreement for such Class of Notes (a "**Change in Law Redemption Event**");

(vii) on the date on which the Ceding Reinsurer gives written notice to the Issuer and the Indenture Trustee that it elects to terminate the Reinsurance Agreement for such Class of Notes following the occurrence of an EBRD Put Event described in subsection (vi), (vii), or (viii) in the definition of EBRD Put Event (an "**EBRD Redemption Event**"); and

(viii) on the date that is specified in a written notice delivered by the Ceding Reinsurer to the Issuer and the Indenture Trustee with at least ninety (90) calendar days' prior notice, which date may be no earlier than the effective date of any amendment or implementation measure specified in (a) below if, in the Ceding Reinsurer's sole good faith judgment, following advice of a recognized accounting, actuarial or law firm (with a copy provided to the Issuer and the Indenture Trustee) confirming the items specified in (a) and (b) below: (a) as a result of any amendment to Directive 2009/138/EC ("**Solvency II**") (other than as contemplated by the proposal for a directive of the European Parliament and of the Council amending Directives 2003/71/EC and 2009/138/EC in respect of the powers of the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authority contained in a draft directive put forward by the Presidency of the European Council on September 21, 2011 ("**Omnibus II Draft Directive**")) or European implementing measures, the implementation of Solvency II into the domestic legislation of the Member States of the European Union, the adoption of any directly applicable regulation or rules by the European Commission relating to the implementation and application of Solvency II, the issuance of any guidance on Solvency II by the European Commission or the European Insurance and Occupational Pensions Authority or any other change in the official interpretation or application of Solvency II, whether or not such amendment, change or application is immediately effective; and (b) the capital, financial statement, rating agency or other similar benefits of the applicable Reinsurance Agreement to the Ceding Reinsurer, SCOR SE or any of SCOR SE's controlled affiliates is materially less favorable to any such entities than is the case applying Directive 2009/138/EC (as it is proposed to be amended by the Omnibus II Draft Directive) and the proposed delegated acts, implementing technical statements and guidelines in respect of Solvency II issued by the European Insurance and Occupational Pensions Authority (or its predecessor) and national regulators in Member States of the European Union as of the Issuance Date (a "**Solvency II**");

Redemption Event").

Early Redemption Payment..... For each Class of Notes, an additional repayment amount will be payable on the Early Redemption Date upon the occurrence of (i) a Ceding Reinsurer Default Redemption Event, equal to the sum of the present value, discounted at, for the Class A Notes, LIBOR and, for the Class B Notes, EURIBOR (in each case, determined for the Accrual Period in which such Early Redemption Event occurred), for the applicable scheduled Interest Spread payments calculated on the Outstanding Principal Amount of such Class of Notes, determined as of the Early Redemption Date, for each Accrual Period from the first day of the Accrual Period that begins on such Early Redemption Date up to the applicable Scheduled Redemption Date or (ii) a Solvency II Redemption Event, equal to, (x) if the Early Redemption Date occurs on or prior to December 31, 2014, 2.0% of the Outstanding Principal Amount of such Class of Notes and, (y) if the Early Redemption Date occurs after December 31, 2014 but prior to the Scheduled Redemption Date, 1.0% of the Outstanding Principal Amount of such Class of Notes (each of clauses (i) and (ii), an "**Early Redemption Payment**"). If the Early Redemption Date occurs on or after the Scheduled Redemption Date, the Early Redemption Payment will be zero.

IV. Optional Redemption

Optional Redemption; Optional Redemption Election Date For each Class of Notes, the Ceding Reinsurer may direct the Issuer to redeem all, but not less than all, of the Notes of such Class on the Optional Redemption Date (an "**Optional Redemption**"), at a redemption price equal to the Repayment Amount, which will include the Optional Redemption Payment, by providing written notice of such election to the Issuer and the Indenture Trustee at least thirty-five (35) Business Days prior to the applicable Optional Redemption Date (the date of such election, an "**Optional Redemption Election Date**").

Optional Redemption Payment..... For each Class of Notes, an additional repayment amount payable in connection with an Optional Redemption, equal to, (a) if the applicable Optional Redemption Date is January 1, 2014, 4.0% of the Outstanding Principal Amount of such Class of Notes and, (b) if the applicable Optional Redemption Date is January 1, 2015, 2.0% of the Outstanding Principal Amount of such Class of Notes (or, in each case, if such day is not a Business Day, the next succeeding Business Day) (the "**Optional Redemption Payment**").

V. Extension

Extension..... The maturity of a Class of Notes may be extended beyond the applicable Scheduled Redemption Date for one or more Extension Periods as a result of the occurrence of an Extension Event or series of Extension Events with respect to such Class of Notes, provided that the maturity of such Class may not be extended beyond the earliest of (i) the Early Redemption Date, if any, (ii) the Final Extended Redemption Date, and (iii) the Extension Discontinuation Date (each, an "**Extension**").

If, as of any Extension Determination Date, an Extension Event has occurred and is continuing, then the maturity of the relevant Class of

Notes will be extended automatically for an Extension Period, commencing on the Scheduled Redemption Date or Extended Redemption Date, as the case may be, immediately following such Extension Determination Date. The occurrence of an Extension will not have the effect of extending the Risk Period.

Extension Event..... An Optional Extension Event I, an Optional Extension Event II or a Mandatory Extension Event, as the case may be (each, an “**Extension Event**”). An Optional Extension Event and a Mandatory Extension Event may occur independently of each other or may occur together. An Extension Event of one type may be followed by an Extension Event of another type for a subsequent Extension Period if the conditions for such other type of Extension Event have been satisfied.

Extension Period..... Each period of approximately three months for which the maturity of a Class of Notes will be extended following the occurrence of an Extension Event for such Class, which period will commence on and including the Scheduled Redemption Date or the relevant Extended Redemption Date, as the case may be, and end on but excluding the immediately succeeding Extended Redemption Date (each, an “**Extension Period**”).

Final Extended Redemption Date..... For each Class of Notes, the date (the “**Final Extended Redemption Date**”) that is the earliest of:

- (i) January 9, 2018 (or if such day is not a Business Day, the next succeeding Business Day);
- (ii) the applicable Payment Date after the Scheduled Redemption Date occurring on or immediately after the Event Reporting Date on which a Final Event Report has been delivered by the Calculation Agent for all Covered Events for which an Event Notice has been delivered; and
- (iii) the applicable Payment Date occurring on or immediately after which (a) the sum of the Issuer Payments (net of Negative Index Payments) in respect of one or more Covered Events equals the Original Principal Amount of such Class of Notes and (b) a Final Event Report has been issued for each such Covered Event relating to such Class of Notes;

provided, that for clauses (ii) and (iii) above, if the Indenture Trustee has not delivered the EBRD Put Notice at least eleven (11) Business Days prior to the relevant Payment Date, the Final Extended Redemption Date will be the next succeeding Payment Date.

Extension Discontinuation Date For each Class of Notes, following the occurrence of an Extension Event for such Class of Notes, the “**Extension Discontinuation Date**” will be the Extended Redemption Date immediately succeeding an Extension Determination Date as of which: (i) no Optional Extension Event for such Class of Notes has occurred and is continuing; and (ii) no Mandatory Extension Event for such Class of Notes has occurred and is continuing.

Extension Determination Date..... For each Class of Notes, the date that is fifteen (15) Business Days prior to the Scheduled Redemption Date or any Extended Redemption Date, as the case may be, for such Class of Notes, and, if a potential Covered Event occurs between the period from the fifteenth (15th)

Business Day prior to the Scheduled Redemption Date to the end of the Risk Period for such Class of Notes, the date that is three (3) Business Days prior to the Scheduled Redemption Date (each, a “**Extension Determination Date**”).

On the Business Day following each Extension Determination Date, the Issuer will notify the Indenture Trustee and the Ceding Reinsurer as to whether an Optional Extension Event has occurred as of such Extension Determination Date and whether a Mandatory Extension Event has occurred as of such Extension Determination Date. Upon receipt of such notice from the Issuer, the Indenture Trustee will notify the applicable Clearing System(s), not later than two (2) Business Days prior to the immediately following Payment Date, of the extension of the maturity of the relevant Class of Notes for an Extension Period from such Payment Date.

Optional Extension Event..... For each Class of Notes, an “**Optional Extension Event**” will occur with respect to such Class of Notes as of any Extension Determination Date, if, on or prior to such Extension Determination Date, the Ceding Reinsurer has delivered an Optional Extension Notice for such Class in respect of which the Ceding Reinsurer has not subsequently delivered an Optional Extension Discontinuation Notice.

Optional Extension Notice..... For each Class of Notes, a notice delivered by the Ceding Reinsurer to the Issuer and the Indenture Trustee, on or prior to any Extension Determination Date (each, an “**Optional Extension Notice**”), electing an Optional Extension Event with respect to such Class of Notes and/or specifying whether a Partial Extension is elected and, if so, the applicable Partial Repayment Amount.

Optional Extension Discontinuation Notice For each Class of Notes, a notice delivered by the Ceding Reinsurer to the Issuer and the Indenture Trustee, on or prior to any Extension Determination Date (an “**Optional Extension Discontinuation Notice**”) electing to discontinue an Optional Extension Event with respect to such Class of Notes and specifying therein the applicable Redemption Date.

Optional Extension Event I; Optional Extension Event II An Optional Extension Event will constitute an “**Optional Extension Event II**” with respect to an Extension Period if the Calculation Agent has delivered to the Issuer and the Indenture Trustee an Optional Extension Event Verification Report, on or prior to the Optional Extension Type Determination Date immediately preceding such Extension Period, confirming that the Optional Extension Event II Conditions applicable to such Extension Period have been satisfied for the relevant Class of Notes. Any Optional Extension Event that does not constitute an Optional Extension Event II will be an “**Optional Extension Event I.**”

Optional Extension Type Determination Date For each Class of Notes, the date that is three (3) Business Days prior to the Scheduled Redemption Date or any Extended Redemption Date, as the case may be, for such Class of Notes (each, an “**Optional Extension Type Determination Date**”).

Optional Extension Type Determination For the purposes of determining whether an Optional Extension Event

Period..... It has occurred for the second and each subsequent Extension Period, the “**Optional Extension Type Determination Period**” will commence on the Optional Extension Type Determination Date for the immediately prior Extension Period and end on the Optional Extension Type Determination Date during such immediately prior Extension Period. For example, the Optional Extension Determination Period for the second Extension Period in respect of a Class of Notes, if applicable, will commence on the Optional Extension Type Determination Date immediately prior to the Scheduled Redemption Date for such Class of Notes and will end on the Optional Extension Type Determination Date during the first Extension Period.

Optional Extension Event II Conditions... For the each Class of Notes, the “**Optional Extension Event II Conditions**” mean the following conditions, to the extent applicable to such Class of Notes for the relevant Extension Period:

Class A Notes

- (i) with respect to any Extension Period for the Class A Notes, the occurrence during the applicable Risk Period of a Covered Event for which a Final Event Report has not been delivered prior to the Event Reporting Date preceding such Extension Period; and
- (ii) with respect to the second and each subsequent Extension Period for the Class A Notes, the Loss Period Index Value for any Loss Period on any date of determination during the relevant Optional Extension Type Determination Period is equal to or greater than the minimum percentage specified in the table below;

<u>Extension Period</u>	<u>Minimum Percentage</u>
Second Extension Period	25% of Attachment Level*
Third Extension Period	50% of Attachment Level*
Fourth Extension Period	75% of Attachment Level*
Fifth Extension Period	75% of Attachment Level*
Sixth Extension Period	90% of Attachment Level*
Seventh Extension Period	90% of Attachment Level*
Eighth Extension Period	90% of Attachment Level*

* Denotes the Attachment Level in effect for the Class A Notes during such Loss Period

Class B Notes

- (i) with respect to any Extension Period for the Class B Notes, the occurrence during the applicable Risk Period of a Covered Event for which a Final Event Report has not been delivered prior to the Event Reporting Date preceding such Extension Period; and
- (ii) with respect to the second and each subsequent Extension Period for the Class B Notes, the Event Index Value for any Covered Event on any date of determination during the relevant Optional Extension Type Determination Period is equal to or greater than the minimum percentage specified in

the table below;

<u>Extension Period</u>	<u>Minimum Percentage</u>
Second Extension Period	25% of Attachment Level*
Third Extension Period	50% of Attachment Level*
Fourth Extension Period	75% of Attachment Level*
Fifth Extension Period	75% of Attachment Level*
Sixth Extension Period	90% of Attachment Level*
Seventh Extension Period	90% of Attachment Level*
Eighth Extension Period	90% of Attachment Level*

* Denotes the Attachment Level in effect for the Class B Notes on the applicable Date of Loss.

Optional Extension Verification Report No less than five (5) Business Days prior to each Optional Extension Type Determination Date, the Ceding Reinsurer may instruct the Calculation Agent to deliver, on or prior to such Optional Extension Type Determination Date, a report (each, an “**Optional Extension Verification Report**”) to the Issuer and the Ceding Reinsurer specifying whether the Optional Extension Event II Conditions have been satisfied; *provided*, that if a potential Covered Event occurs within ten (10) Business Days prior to the applicable Scheduled Redemption Date, the Ceding Reinsurer may, no less than three (3) Business Days following the Date of Loss of such potential Covered Event, instruct the Calculation Agent to deliver the initial Optional Extension Verification Report, and the Calculation Agent will be required to deliver such Optional Extension Verification Report within five (5) Business Days following the date of such instruction.

Mandatory Extension Event For each Class of Notes, a “**Mandatory Extension Event**” will have occurred as of any Extension Determination Date, if (i) an Issuer Payment has been made (or will be made on the immediately succeeding Payment Date) by the Issuer to the Ceding Reinsurer under the corresponding Reinsurance Agreement and (ii) the Minimum Development Period remains in effect for any Loss Period (in the case of the Class A Notes) or Covered Event (in the case of the Class B Notes) relating to any such Issuer Payment.

Minimum Development Period Class A Notes

For the Class A Notes, if an Issuer Payment has been made (or will be made on the immediately succeeding Payment Date) by the Issuer to the Ceding Reinsurer in respect of a Loss Period under the corresponding Reinsurance Agreement, the “**Minimum Development Period**” for the Class A Notes will commence on the Date of Loss for the earliest Covered Event that has occurred during such Loss Period and will continue until the earliest of (i) the date that is twenty-four (24) calendar months from the Date of Loss for the latest Covered Event that has occurred during such Loss Period, (ii) the first Event Reporting Date that is at least five (5) Business Days after the date on which the Reporting Agency has released a Reporting Agency Report with its final Resurvey Estimate for each Covered Event that has occurred during such Loss Period, (iii) the date on which the applicable Reporting Agency ceases to exist, and (iv) the Event Reporting Date on which (a) the sum of the Issuer Payments under such Reinsurance

Agreement (net of Negative Index Payments) equals the Original Principal Amount of the Class A Notes and (b) a Final Event Report has been issued for each Covered Event giving rise to such Issuer Payments.

Class B Notes

For the Class B Notes, if an Issuer Payment has been made (or will be made on the immediately succeeding Payment Date) by the Issuer to the Ceding Reinsurer in respect of a Covered Event under the corresponding Reinsurance Agreement, the “**Minimum Development Period**” for the Class B Notes will commence on the Date of Loss of such Covered Event and will continue until the earliest of (i) the date that is twenty-four (24) calendar months from the Date of Loss for such Covered Event, (ii) the first Event Reporting Date that is at least five (5) Business Days after the date on which the Reporting Agency has released a Reporting Agency Report with its final Resurvey Estimate for such Covered Event, (iii) the date on which the applicable Reporting Agency ceases to exist, and (iv) the Event Reporting Date on which (a) the sum of the Issuer Payments under such Reinsurance Agreement equals the Original Principal Amount of the Class B Notes (net of Negative Index Payments) and (b) a Final Event Report has been issued for each Covered Event giving rise to such Issuer Payments.

Partial Extension; Partial Extension Date; Partial Repayment Amount.....

In connection with any Extension Event, the Ceding Reinsurer may elect to require the Issuer to extend, on the Scheduled Redemption Date or any Extended Redemption Date, as applicable, only a portion of the Outstanding Principal Amount of the relevant Class of Notes instead of the full principal amount thereof (each such partial extension, a “**Partial Extension**,” and the applicable Scheduled Redemption Date or Extended Redemption Date, a “**Partial Extension Date**”).

To the extent that a Class of Notes is extended pursuant to a Partial Extension, the portion of the Outstanding Principal Amount of such Class of Notes that is not extended pursuant to such Partial Extension will be redeemed by the Issuer on a *pro rata* basis (such redeemed amount, the “**Partial Repayment Amount**”) on the Partial Extension Date among the Noteholders of such Class, at a redemption price equal to the applicable *pro rata* portion of the Partial Repayment Amount (in each case, subject to the procedures of the applicable Clearing System).

Partial Extension Notice

The Ceding Reinsurer may elect a Partial Extension with respect to a Class of Notes and a Partial Extension Date by giving written notice of a Partial Extension (a “**Partial Extension Notice**”), the relevant Partial Repayment Amount and the relevant Partial Extension Date to the Issuer and the Indenture Trustee on or prior to the Extension Determination Date preceding such Partial Extension Date.

VI. Interest on the Notes

Interest Calculation.....

For each Accrual Period from and including the Issuance Date to, but excluding, the Redemption Date, interest on each Class of Notes will

be calculated as the sum of:

- (i) the Permitted Investment Yield relating to such Accrual Period for such Class of Notes, *plus*
- (ii) the amount of interest accrued during such Accrual Period on the Outstanding Principal Amount for such Class of Notes, determined as of the first day of such Accrual Period (after giving effect to any adjustment to the Outstanding Principal Amount on such first day), at a *per annum* rate equal to (a) for Accrual Periods beginning prior to the Scheduled Redemption Date, the Interest Spread for such Class of Notes or (b) for Accrual Periods beginning on or after the Scheduled Redemption Date, the applicable Extension Spread for such Class of Notes; in each case calculated on the basis of the actual number of days elapsed in the related Accrual Period and a 360-day year (the “**Interest Calculation Convention**”);

provided, however, that with respect to the first four (4) Accrual Periods beginning on the Issuance Date, the applicable Interest Spread portion of interest on such Class of Notes will be calculated and paid on the Original Principal Amount of such Class; *provided, further*, that, if the Outstanding Principal Amount of a Class of Notes has been reduced to zero on any of the three (3) Payment Dates following the Issuance Date, the Issuer will pay the Residual Interest Amount on such Payment Date, in addition to accrued interest for the prior Accrual Period, and no further interest will be paid with respect to such Class from the period from and including such Payment Date to, but excluding, the fourth (4th) Payment Date following the Issuance Date.

Payment Dates

Interest for each Class of Notes will be payable quarterly in arrears on the following dates (each, a “**Payment Date**”):

- (i) each January 1, April 1, July 1 and October 1 (or if any such day is not a Business Day, the next succeeding Business Day), commencing on the First Payment Date and ending on the earliest of the Early Redemption Date, the Optional Redemption Date and the Scheduled Redemption Date, as applicable, for such Class of Notes; *provided*, that there will be no Payment Date on January 1, 2016, but only on the Scheduled Redemption Date; and
- (ii) if one or more Extension Events have occurred with respect to such Class of Notes, each Extended Redemption Date and, if there is an Early Redemption Event during any Extension Period, the Early Redemption Date.

First Payment Date

January 1, 2013 (or if such day is not a Business Day, the next succeeding Business Day) (the “**First Payment Date**”).

Accrual Period.....

For each Class of Notes, interest in respect of each Payment Date will accrue from and including the immediately preceding Payment Date (or the Issuance Date, in the case of the First Payment Date) to, but not including, such Payment Date; *provided*, that with respect to the Accrual Period ending on the Redemption Date for such Class of Notes, such interest will accrue to, but excluding, one (1) Business Day prior to the Redemption Date for the purposes of calculating the EBRD Notes Coupon Payment for such Accrual Period (each, an “**Accrual**

	Period”).
Interest Spread.....	For the Class A Notes, 8.00%. For the Class B Notes, 3.65%. (the “ Interest Spread ”)
Extension Spread.....	For any Extension Period resulting from an Optional Extension Event I only, 3.00%. For any Extension Period resulting from an Optional Extension Event II only, 0.50%. For any Extension Period resulting from a Mandatory Extension Event (whether or not in combination with an Optional Extension Event), 0.10%. (as applicable, the “ Extension Spread ”)
Permitted Investment Yield.....	For each Class of Notes, the yield on the Permitted Investments in the applicable Collateral Account (the “ Permitted Investment Yield ”) will be an amount equal to the actual investment earnings received in such Collateral Account on the Permitted Investments held in such Collateral Account prior to and including one (1) Business Day prior to the applicable Payment Date, which have not been previously distributed to the Issuer, net of applicable withholding taxes and fees imposed on such earnings, if any. Promptly after its deposit into the Collateral Account of the Permitted Investment Yield, the Indenture Trustee will transfer Permitted Investment Yield into the applicable Collateral Payment Account.
Residual Interest Amount.....	An amount equal to the sum of the present values, discounted at, for the Class A Notes, LIBOR and, for the Class B Notes, EURIBOR (in each case, determined for the Accrual Period in which the Outstanding Principal Amount of such Class of Notes was reduced to zero), of each of the scheduled payments of the Interest Spread for such Class of Notes that would have been payable on each Payment Date following that Payment Date through and including the fourth Payment Date immediately following the Issuance Date (the “ Residual Interest Amount ”).
LIBOR.....	“ LIBOR ” means, with respect to the Dollar-Denominated EBRD Notes, LIBOR as determined by the LIBOR Calculation Agent in accordance with the terms and conditions of the Dollar-Denominated EBRD Notes. For purposes of calculating the Residual Interest Amount or the Early Redemption Payment with respect to a Ceding Reinsurer Default Redemption Event, LIBOR means, as of any LIBOR Determination Date, the rate for deposits in U.S. dollars for a period equal to the relevant Accrual Period which appears on the Reuters Page LIBOR01 as of 11:00 a.m., London time, on such date, <i>provided</i> that LIBOR for any relevant period that does not appear on Reuters Page LIBOR01 will be determined by using the closest, measured by calendar days, published period which will be the longer of the two periods in the event the LIBOR Determination Date falls exactly between two published periods. If such information is not available, the rate for that LIBOR Determination Date will be determined on the

EURIBOR	“ EURIBOR ” means, with respect to the Euro-Denominated EBRD Notes, EURIBOR as determined by the EURIBOR Calculation Agent in accordance with the terms and conditions of the Euro-Denominated EBRD Notes. For purposes of calculating the Residual Interest Amount or the Early Redemption Payment with respect to a Ceding Reinsurer Default Redemption Event, EURIBOR means, as of any EURIBOR Determination Date, the rate for deposits in Euro for a period equal to the relevant Accrual Period which appears on the Reuters Screen EURIBOR01 as of 11:00 a.m., Brussels time, on such date, provided that EURIBOR for any relevant period that does not appear on Reuters Screen EURIBOR01 will be determined by using straight line linear interpolation applied between the next shortest period and the next longest period that do appear on Reuters Screen EURIBOR01. If such information is not available, the rate for that EURIBOR Determination Date will be determined on the basis of the rates at which deposits in Euro are offered by the Euro Reference Banks at approximately 11:00 a.m., Brussels time, on that day to prime banks in the Euro zone interbank market for a period equal to the relevant Accrual Period. The EURIBOR Calculation Agent will request the principal Euro zone office of each of the Euro Reference
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basis of the rates at which deposits in U.S. dollars are offered by the LIBOR Reference Banks at approximately 11:00 a.m., London, on that day to prime banks in the London interbank market for a period equal to the relevant Accrual Period. The LIBOR Calculation Agent will request the principal London office of each of the LIBOR Reference Banks to provide a quotation of its rate. If at least two quotations are provided, the rate for that LIBOR Determination Date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that LIBOR Determination Date will be the arithmetic mean of the rates quoted by three major banks in New York City, selected by the LIBOR Calculation Agent, at approximately 11:00 a.m., New York City time, on that LIBOR Determination Date for loans in U.S. dollars to leading European banks for a period equal to the relevant Accrual Period.

“**Reuters Page LIBOR01**” means the display page currently so designated on Reuters 3000 Xtra or any successor service (or such other page as may replace that page on that service or any successor service for the purpose of displaying comparable rates or prices).

“**LIBOR Reference Banks**” means four major banks in the London interbank market selected by the LIBOR Calculation Agent.

“**LIBOR Determination Date**” means the second London Banking Day prior to any Interest Reset Date.

“**London Banking Day**” means any business day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

“**Interest Reset Date**” means the first day of each Accrual Period.

“**LIBOR Calculation Agent**” means Citibank, N.A., as agent under the EBRD’s Global Medium Term Note Programme, or any successor agent thereunder, for EBRD Notes, or, for the sole purposes of determining the Early Redemption Payment with respect to a Ceding Reinsurer Default Redemption Event and the Residual Interest Amount, the Indenture Trustee.

Banks to provide a quotation of its rate. If at least two quotations are provided, the rate for that EURIBOR Determination Date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that EURIBOR Determination Date will be the arithmetic mean of the rates quoted by four major banks in the Euro zone selected by the EURIBOR Calculation Agent, at approximately 11:00 a.m., Brussels time, on that EURIBOR Determination Date for loans in Euro to leading London banks for a period equal to the relevant Accrual Period.

“Reuters Screen EURIBOR01” means the display page currently so designated on the Reuters 3000 Xtra or any successor service (or such other page as may replace that page on that service or any successor service for the purpose of displaying comparable rates or prices).

“Euro Reference Banks” means four major banks in the Euro zone interbank market selected by the EURIBOR Calculation Agent.

“EURIBOR Determination Date” means the second TARGET Settlement Date prior to any Interest Reset Date.

“EURIBOR Calculation Agent” means Citibank, N.A., as agent under the EBRD’s Global Medium Term Note Programme, or any successor agent thereunder, for EBRD Notes, or, for the sole purposes of determining the Early Redemption Payment with respect to a Ceding Reinsurer Default Redemption Event, and the Residual Interest Amount, the Indenture Trustee.

Loss Determination

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I. General

Risk Period..... For each Class of Notes, the period commencing at 12:00:00 a.m., UTC, on January 1, 2013 and continuing up to and including the earlier of (i) 11:59:59 p.m., UTC, on December 31, 2015 and, (ii) in the event of an Early Redemption Event or Optional Redemption with respect to such Class of Notes, 11:59:59 p.m., UTC, on the date of such Early Redemption Event or the relevant Optional Redemption Election Date (the “**Risk Period**”).

If the Risk Period ends while a Covered Event is in progress, the Issuer’s liability under the applicable Reinsurance Agreement will, subject to the other terms and conditions of such Reinsurance Agreement, be determined as if the entire Covered Event had occurred prior to the end of the Risk Period.

Loss Periods..... For the Class A Notes only, the periods (each, a “**Loss Period**”) commencing at:

- (i) 12:00:00 a.m., UTC, on January 1, 2013 to and including 11:59:59 p.m., UTC, on December 31, 2013 (the “**First Loss Period**”);
- (ii) 12:00:00 a.m., UTC, on January 1, 2014 to and including 11:59:59 p.m., UTC, on December 31, 2014 (the “**Second Loss Period**”); and

- (iii) 12:00:00 a.m., UTC, on January 1, 2015 to and including 11:59:59 p.m., UTC, on December 31, 2015 (the “**Third Loss Period**”).

For the Class A Notes, in the event of an Early Redemption Event or an Optional Redemption with respect to such Class, the applicable Loss Period will end at 11:59:59 p.m., UTC, on the date of such Early Redemption Event or the relevant Optional Redemption Election Date. If a Loss Period expires while a Covered Event is in progress, the entire Event Index Value from such Covered Event will be included in the determination of the Loss Period Payment Amount for the Loss Period in which the Date of Loss falls, and will be excluded from any other Loss Period.

For the avoidance of doubt, there will be no Loss Periods within the Risk Period for the Class B Notes.

Covered Event..... For the Class A Notes, any U.S. Hurricane Event or U.S. Earthquake Event and, for the Class B Notes, any Europe Windstorm Event (each, a “**Covered Event**”).

Reporting Agency..... For the Class A Notes, PCS and, for the Class B Notes, PERILS (each, a “**Reporting Agency**”).

Reporting Agency Report..... For U.S. Hurricane Events and U.S. Earthquake Events, any PCS Catastrophe Bulletin and, for any Europe Windstorm Events, any PERILS Loss Report (each, a “**Reporting Agency Report**”).

Covered Area..... For the Class A Notes, the U.S. Hurricane Covered Area and the U.S. Earthquake Covered Area, as applicable, and, for the Class B Notes, the Europe Windstorm Covered Area (each, a “**Covered Area**”).

Date of Loss..... The U.S. Hurricane Date of Loss, the U.S. Earthquake Date of Loss and the Europe Windstorm Date of Loss, as applicable (each, a “**Date of Loss**”).

PCS..... Property Claim Services, a division of ISO Services, Inc., or any successor in interest thereto or, if no successor exists or PCS ceases to provide PCS Catastrophe Bulletins, a replacement named by the Calculation Agent (“**PCS**”).

PCS License Agreement..... On the Issuance Date, the Issuer will enter into a license agreement with PCS relating to the use of PCS-prepared information by the Issuer in connection with the Class A Notes (the “**PCS License Agreement**”).

PCS Catastrophe Bulletin..... Any catastrophe bulletin (each, a “**PCS Catastrophe Bulletin**”) originated and disseminated by PCS (including through ISONet PCS) that identifies and assigns a catastrophe number to a catastrophe identified herein as a U.S. Hurricane or a U.S. Earthquake or similarly identified, and/or gives preliminary or, subsequently as it deems appropriate in the exercise of its judgment, adjusted estimates (each such adjusted estimate, a “**PCS Resurvey Estimate**”), of insured industry property losses arising from a U.S. Hurricane or a U.S. Earthquake, or a comparable notification in the event a replacement reporting agency is named by the Calculation Agent pursuant to the terms of the Calculation Agent Agreement.

Estimates of insured property losses are typically specified by state and line of business, which include personal lines, commercial lines and automobile lines, and may include workers' compensation losses. Any workers' compensation losses will be excluded in the determination of a U.S. Hurricane Event and a U.S. Earthquake Event, and only insured industry property losses that include personal lines, commercial lines and automobile lines will be used in the determination of an Event Index Value for such U.S. Hurricane Event or U.S. Earthquake Event, as applicable.

PERILS..... PERILS AG, incorporated in Zurich, Switzerland as a joint stock company, or any successor in interest thereto, or if no successor exists or PERILS ceases to provide PERILS Loss Reports, a replacement named by the Calculation Agent (“**PERILS**”).

PERILS License Agreement..... On the Issuance Date, the Issuer will enter into a license agreement with PERILS relating to the use of PERILS-prepared information by the Issuer in connection with the Class B Notes (the “**PERILS License Agreement**”).

PERILS Loss Report Any report (each, a “**PERILS Loss Report**”) originated and disseminated by PERILS that identifies and assigns an event name and occurrence date to a catastrophe identified herein as Europe Windstorm or similarly identified, and/or gives preliminary estimates or, subsequently as it deems appropriate in the exercise of its judgment, adjusted estimates (each such adjusted estimate, a “**PERILS Resurvey Estimate**”) of insured industry property losses arising from a Europe Windstorm, or a comparable notification in the event a replacement reporting agency is named by the Calculation Agent pursuant to the terms of the Calculation Agent Agreement.

Estimates of insured property losses are typically specified by (i) CRESTA Zone, with the exception of Norway where they are specified by county, and (ii) line of business, which include residential lines, commercial lines, industrial lines and agricultural lines.

Resurvey Estimate Any PCS Resurvey Estimate in respect of a U.S. Hurricane or a U.S. Earthquake or any PERILS Resurvey Estimate in respect of a Europe Windstorm (each, a “**Resurvey Estimate**”).

Final Resurvey Estimate..... For the avoidance of doubt, the determination of whether a Resurvey Estimate in respect of a Covered Event is “final” will be as specified by the Reporting Agency in the relevant Reporting Agency Report. If the Reporting Agency deems it appropriate, in the exercise of its judgment, to restate or reopen an estimate of insured property losses resulting from a Covered Event that has at one time been labeled as “final” by such Reporting Agency, such previously released but reopened or restated “final” Resurvey Estimate will no longer be deemed final for purposes of the Notes and the Reinsurance Agreement; *provided*, that no such new Resurvey Estimate will be taken into account to the extent that it is issued after the date that is five (5) Business Days prior to the Event Reporting Date immediately prior to the Redemption Date.

II. U.S. Hurricane

U.S. Hurricane Any event that is identified and assigned a number by PCS as a “catastrophe” (whether or not such identification and assignment is made during the Risk Period), where the perils identified by PCS with respect to such catastrophe include the peril of hurricane or tropical storm (each, a “**U.S. Hurricane**”).

U.S. Hurricane Date of Loss..... The first date specified in the “Dates” data field of a PCS Catastrophe Bulletin for a U.S. Hurricane, or the comparable data field in the event PCS changes its reporting format or a replacement to PCS is named by the Calculation Agent pursuant to the terms of the Calculation Agent Agreement (“**U.S. Hurricane Date of Loss**”).

U.S. Hurricane Event..... Any U.S. Hurricane with a U.S. Hurricane Date of Loss within the Risk Period for the Class A Notes having caused insured industry property losses in the U.S. Hurricane Covered Area (each, a “**U.S. Hurricane Event**”).

U.S. Hurricane Covered Area..... Alabama, Arkansas, Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, West Virginia and Puerto Rico (the “**U.S. Hurricane Covered Area**”).

State..... Each of the states of the United States of America, the District of Columbia and Puerto Rico (each, a “**State**”).

U.S. Hurricane Event Parameters; U.S. Hurricane Event Parameters Date The following physical characteristics of any U.S. Hurricane obtained from the U.S. Hurricane Data Provider and reported by the U.S. Hurricane Data Provider in a Tropical Cyclone Report, or, if such Tropical Cyclone Report is not released by the U.S. Hurricane Data Provider within one hundred and twenty (120) calendar days after the U.S. Hurricane Date of Loss of such U.S. Hurricane Event, the latest preliminary data as may be made publicly available by the U.S. Hurricane Data Provider within one hundred and twenty (120) calendar days after the U.S. Hurricane Date of Loss of such U.S. Hurricane Event (a “**U.S. Hurricane Event Parameters Date**”): (i) the date and time of such event and (ii) the location, forward speed, central barometric pressure and radius of maximum winds at six-hour intervals or more frequently if provided by the U.S. Hurricane Data Provider (the “**U.S. Hurricane Event Parameters**”).

U.S. Hurricane Data Provider..... The National Weather Service (“**NWS**”), an agency of the U.S. National Oceanic and Atmospheric Administration, and the National Hurricane Center (“**NHC**”), part of the NWS, or their successors, and in the event that the NWS or the NHC ceases to exist and there is no successor, such other organization selected by the Calculation Agent that provides equivalent data and is reasonably satisfactory to and unaffiliated with the Ceding Reinsurer (the “**U.S. Hurricane Data Provider**”).

Tropical Cyclone Report A report issued by the U.S. Hurricane Data Provider containing meteorological statistics, post-event analysis best track and other information about a hurricane (a “**Tropical Cyclone Report**”).

U.S. Hurricane State Modeled Loss; U.S. Hurricane County Modeled Loss; U.S.

Hurricane Post Event Loss Calculations;
 U.S. Hurricane County Percentage..... Following each U.S. Hurricane Event, the Calculation Agent will obtain from the U.S. Hurricane Data Provider the U.S. Hurricane Event Parameters with respect to such U.S. Hurricane Event and will withdraw from escrow the applicable Escrow Model and the U.S. Industry Exposure Database.

The Calculation Agent will use the applicable Escrow Model and U.S. Hurricane Event Parameters to calculate each State loss for personal lines, commercial lines (excluding any workers' compensation losses) and automobile lines to the U.S. Industry Exposure Database ("U.S. Hurricane State Modeled Loss") for each State in the U.S. Hurricane Covered Area and each county level loss to the U.S. Industry Exposure Database ("U.S. Hurricane County Modeled Loss") for each county in the U.S. Hurricane Covered Area pursuant to the procedures set forth in the applicable Calculation Agent Agreement and as described in the "AIR Expert Risk Analysis Results" attached hereto as Annex B ("U.S. Hurricane Post Event Loss Calculations").

For each county within each State in the U.S. Hurricane Covered Area, the Calculation Agent will calculate a percentage ("U.S. Hurricane County Percentage") equal to (i) the relevant county's U.S. Hurricane County Modeled Loss divided by (ii) the U.S. Hurricane State Modeled Loss for such county's State.

U.S. Hurricane State PCS Loss..... On any date of determination and for each U.S. Hurricane, an amount equal to the total amount of estimated insured property losses from personal lines, commercial lines (excluding any workers' compensation losses) and automobile lines for each State calculated separately in the U.S. Hurricane Covered Area as stated in the most recent PCS Catastrophe Bulletin and verified by the Calculation Agent (the "U.S. Hurricane State PCS Loss").

U.S. Hurricane County PCS Loss..... On any date of determination, for each U.S. Hurricane Event and for each county within each State in the U.S. Hurricane Covered Area, an amount equal to (i) the U.S. Hurricane State PCS Loss for such State multiplied by (ii) the U.S. Hurricane County Percentage for such county in such State (the "U.S. Hurricane County PCS Loss").

U.S. Hurricane County Payout Factors..... The applicable U.S. Hurricane payout factors set forth in the data disk included in Annex G attached hereto (the "Initial U.S. Hurricane County Payout Factors") and, following any Reset, the Updated U.S. Hurricane County Payout Factors (the "U.S. Hurricane County Payout Factors").

U.S. Hurricane Index Value For any U.S. Hurricane Event, the "U.S. Hurricane Index Value" will be calculated by the Calculation Agent using the following formula and rounded to two decimal places:

$$\text{U.S. Hurricane Index Value} = \sum_c \prod_c \times I_c - \text{Index Deductible}^*$$

*Denotes the Index Deductible in effect on the applicable U.S. Hurricane Date of Loss.

Where,

I_c = the U.S. Hurricane County Payout Factor in effect on the U.S. Hurricane Date of Loss for each County (C) within each State within the U.S. Hurricane Covered Area; and

I_c = the U.S. Hurricane County PCS Loss for each County (C) within each State within the U.S. Hurricane Covered Area, divided by \$1,000,000;

provided, that if the U.S. Hurricane Index Value for any U.S. Hurricane Event is less than zero, then such U.S. Hurricane Index Value will be deemed to be zero.

If the U.S. Hurricane Post Event Loss Calculations cannot be conducted for one or more States within the U.S. Hurricane Covered Area because the relevant U.S. Hurricane State PCS Loss is below \$1,000,000, then the Calculation Agent will apply the lowest U.S. Hurricane County Payout Factor stated for a county in such State to the relevant U.S. Hurricane State PCS Loss.

Any change in the U.S. Hurricane County PCS Loss for a U.S. Hurricane Event after the earlier of (i) the Event Reporting Date that occurs at least five (5) Business Days after the date PCS releases a PCS Catastrophe Bulletin with its final PCS Resurvey Estimate for such U.S. Hurricane Event and (ii) five (5) Business Days prior to the Event Reporting Date immediately prior to the Redemption Date will be disregarded by the Calculation Agent when calculating the U.S. Hurricane Index Value and any corresponding Loss Payment Amount.

II. U.S. Earthquake

U.S. Earthquake..... Any event that is identified and assigned a number by PCS as a "catastrophe" (whether or not such identification and assignment is made during the Risk Period), where the perils identified by PCS with respect to such catastrophe include the peril of earthquake (each, a "U.S. Earthquake").

U.S. Earthquake Date of Loss..... The first date specified in the "Dates" data field of a PCS Catastrophe Bulletin for a U.S. Earthquake, or the comparable data field in the event PCS changes its reporting format or a replacement to PCS is named by the Calculation Agent pursuant to the terms of the Calculation Agent Agreement (each, a "U.S. Earthquake Date of Loss").

U.S. Earthquake Event..... Any U.S. Earthquake with a U.S. Earthquake Date of Loss within the Risk Period for the Class A Notes having caused insured industry property losses in the U.S. Earthquake Covered Area (each, a "U.S. Earthquake Event").

U.S. Earthquake Covered Area..... Each of the forty-eight (48) states comprising the continental United States of America and the District of Columbia (the "U.S. Earthquake Covered Area").

U.S. Earthquake Event Parameters; U.S. Earthquake Event Parameters Date The following physical characteristics of any U.S. Earthquake obtained from the U.S. Earthquake Data Provider and reported by the U.S. Earthquake Data Provider within ninety (90) calendar days after the U.S. Earthquake Date of Loss of such U.S. Earthquake Event (each, a

“**U.S. Earthquake Event Parameters Date**”): (i) the date and time of such event, (ii) the ShakeMap ground motion file, or, if such ground motion file is not available, the moment magnitude, location of epicenter, focal depth, rupture azimuth, dip angle and fault type (the “**U.S. Earthquake Event Parameters**”).

U.S. Earthquake Data Provider..... The United States Geological Survey or its successor, and in the event that the United States Geological Survey ceases to exist and there is no successor, such other organization selected by the Calculation Agent that provides equivalent data and is reasonably satisfactory to and unaffiliated with the Reinsurance Agreement Counterparty (the “**U.S. Earthquake Data Provider**”).

U.S. Earthquake State Modeled Loss;
U.S. Earthquake County Modeled Loss;
U.S. Earthquake Post Event Loss
Calculations; U.S. Earthquake County
Percentage..... Following each U.S. Earthquake Event, the Calculation Agent will obtain from the U.S. Earthquake Data Provider the U.S. Earthquake Event Parameters with respect to such U.S. Earthquake Event and will withdraw from escrow the applicable Escrow Model and the U.S. Industry Exposure Database.

The Calculation Agent will use the applicable Escrow Model and U.S. Earthquake Event Parameters to calculate each State loss from personal lines, commercial lines (excluding any workers’ compensation losses) and automobile lines to the U.S. Industry Exposure Database (“**U.S. Earthquake State Modeled Loss**”) for each State in the U.S. Earthquake Covered Area and each county level loss to the U.S. Industry Exposure Database (“**U.S. Earthquake County Modeled Loss**”) for each county in the U.S. Earthquake Covered Area pursuant to the procedures set forth in the applicable Calculation Agent Agreement and as described in the “*AIR Expert Risk Analysis Results*” attached hereto as Annex B (“**U.S. Earthquake Post Event Loss Calculations**”).

For each county within each State in the U.S. Earthquake Covered Area, the Calculation Agent will calculate a percentage (“**U.S. Earthquake County Percentage**”) equal to (i) the relevant county’s U.S. Earthquake County Modeled Loss divided by (ii) the U.S. Earthquake State Modeled Loss for such county’s State.

U.S. Earthquake State PCS Loss On any date of determination and for each U.S. Earthquake, an amount equal to the total amount of estimated insured property losses from personal lines, commercial lines (excluding any workers’ compensation losses) and automobile lines for each State calculated separately in the U.S. Earthquake Covered Area as stated in the most recent PCS Catastrophe Bulletin and verified by the Calculation Agent (the “**U.S. Earthquake State PCS Loss**”).

U.S. Earthquake County PCS Loss..... On any date of determination, for each U.S. Earthquake Event and for each county within each State in the U.S. Earthquake Covered Area, an amount equal to (i) the U.S. Earthquake State PCS Loss for such State multiplied by (ii) the U.S. Earthquake County Percentage for such county in such State (the “**U.S. Earthquake County PCS Loss**”).

U.S. Earthquake County Payout Factors ... The applicable U.S. Earthquake payout factors set forth in the data disk included in Annex G attached hereto (the “**Initial U.S. Earthquake**

County Payout Factors”) and, following any Reset, the Updated U.S. Earthquake County Payout Factors (the “**U.S. Earthquake County Payout Factors**”).

U.S. Earthquake Index Value For any U.S. Earthquake Event, the “**U.S. Earthquake Index Value**” will be calculated by the Calculation Agent using the following formula and rounded to two decimal places:

$$U.S. \text{ Earthquake Index Value} = \sum_C \Pi_C \times I_C - \text{Index Deductible}^*$$

*Denotes the Index Deductible in effect on the applicable U.S. Earthquake Date of Loss.

Where,

Π_C = the U.S. Earthquake County Payout Factor in effect on the U.S. Earthquake Date of Loss for each County (C) within each State within the U.S. Earthquake Covered Area; and

I_C = the U.S. Earthquake County PCS Loss for each County (C) within each State within the U.S. Earthquake Covered Area, divided by \$1,000,000;

provided, that if the U.S. Earthquake Index Value for any U.S. Earthquake Event is less than zero, then such U.S. Earthquake Index Value will be deemed to be zero.

If the U.S. Earthquake Post Event Loss Calculations cannot be conducted for one or more States within the U.S. Earthquake Covered Area because the relevant U.S. Earthquake State PCS Loss is below \$1,000,000, then the Calculation Agent will apply the lowest U.S. Earthquake County Payout Factor stated for a county in such State to the relevant U.S. Earthquake State PCS Loss.

Any change in the U.S. Earthquake County PCS Loss for a U.S. Earthquake Event after the earlier of (i) the Event Reporting Date that occurs at least five (5) Business Days after the date PCS releases a PCS Catastrophe Bulletin with its final PCS Resurvey Estimate for such U.S. Earthquake Event and (ii) five (5) Business Days prior to the Event Reporting Date immediately prior to the Redemption Date will be disregarded by the Calculation Agent when calculating the U.S. Earthquake Index Value and any corresponding Loss Payment Amount.

III. Europe Windstorm

Europe Windstorm Any event that is identified and assigned a unique event identifier by PERILS as a “Europe windstorm event” (whether or not such identification and assignment is made during the Risk Period) (each, a “**Europe Windstorm**”).

Europe Windstorm Date of Loss The event start date specified in the data field labeled “Event Start Date” of a PERILS Loss Report for a Europe Windstorm, or the comparable data field in the event PERILS changes its reporting format or a replacement to PERILS is named by the Calculation Agent pursuant to the terms of the Calculation Agent Agreement (“**Europe**

Windstorm Date of Loss”).

- Europe Windstorm Event Any applicable Europe Windstorm with a Europe Windstorm Date of Loss within the Risk Period for the Class B Notes having caused insured industry property losses in the Europe Windstorm Covered Area (each, a “**Europe Windstorm Event**”).
- Europe Windstorm Covered Area Belgium, Denmark (including Jutland, Sjælland, Fyn, Lolland, Bornholm and the Faroe Islands), Mainland metropolitan France and Corsica (excluding Départements d’Outre Mer and Territoires d’Outre Mer), Germany, Republic of Ireland, Luxembourg, The Netherlands (excluding Aruba and the Netherlands Antilles), Norway (excluding Jan Mayen and Svalbard), Sweden, Switzerland and the United Kingdom of Great Britain and Northern Ireland (excluding overseas dependencies but including the Isle of Man and Channel Islands) (“**Europe Windstorm Covered Area**”).
- Europe Windstorm PERILS Loss..... On any date of determination and for each Europe Windstorm, an amount equal to the total amount of estimated insured property losses from residential lines, commercial lines, industrial lines and agricultural lines for each CRESTA Zone (or, in the case of Norway, each county) calculated separately in local currency in the Europe Windstorm Covered Area as stated in the most recent PERILS Loss Report and verified by the Calculation Agent (the “**Europe Windstorm PERILS Loss**”).
- CRESTA Zone The “Catastrophe Risk Evaluation and Standardizing Target Accumulations,” which are the standard geographic regions generally used by the insurance industry to reference exposure locations (each, a “**CRESTA Zone**”).
- Europe Windstorm Payout Factors..... The applicable Europe Windstorm payout factors set forth in the data disk included in Annex G attached hereto (the “**Initial Europe Windstorm Payout Factors**”) and, following any Reset, the Updated Europe Windstorm Payout Factors (the “**Europe Windstorm Payout Factors**”).
- Europe Windstorm Index Value For any Europe Windstorm Event, the “**Europe Windstorm Index Value**” will be calculated by the Calculation Agent using the following formula and rounded to two decimal places:

$$\text{Europe Windstorm Index Value} = \sum_c \frac{\Pi_c \times I_c}{FX_c}$$

Where,

Π_c = the Europe Windstorm Payout Factor in effect on the Europe Windstorm Date of Loss for each CRESTA Zone (or, in the case of Norway, each county) (C) within the Europe Windstorm Covered Area;

I_c = the Europe Windstorm PERILS Loss for each CRESTA Zone (or, in the case of Norway, each county) (C) within the Europe Windstorm Covered Area; and

FX_c = the applicable FX Conversion Factor for each CRESTA Zone (or, in the case of Norway, each county) (C) in effect on the Europe

Windstorm Date of Loss multiplied by €1,000,000;

provided, that if the Europe Windstorm Index Value for any Europe Windstorm Event is less than zero, such Europe Windstorm Index Value will be deemed to be zero.

If the relevant PERILS Loss Report does not contain Europe Windstorm PERILS Losses by CRESTA Zone (or by county in the case of Norway) in one or more countries in the Europe Windstorm Covered Area, the Calculation Agent will apply the lowest Europe Windstorm Payout Factor stated for a CRESTA Zone (or county in the case of Norway) in such country to the relevant Europe Windstorm PERILS Loss.

Any change in the Europe Windstorm PERILS Loss for a Europe Windstorm Event after the earlier of (i) the Event Reporting Date that occurs at least five (5) Business Days after the date that PERILS releases a PERILS Loss Report with its final PERILS Resurvey Estimate for such Europe Windstorm Event and (ii) five (5) Business Days prior to the Event Reporting Date immediately prior to the Redemption Date will be disregarded by the Calculation Agent when calculating the Europe Windstorm Index Value and any corresponding Loss Payment Amount.

Initial Currencies For each of the following countries in the Europe Windstorm Covered Area, the following currencies:

<u>Country</u>	<u>Currency</u>
Belgium	Euro
Denmark	Danish krone
France	Euro
Germany	Euro
Republic of Ireland	Euro
Luxembourg.....	Euro
The Netherlands.....	Euro
Norway	Norwegian krone
Sweden.....	Swedish krona
Switzerland	Swiss francs
United Kingdom	Pounds sterling

(each, an “**Initial Currency**” and, together, the “**Initial Currencies**”).

Initial FX Conversion Factors For each of the following countries in the Europe Windstorm Covered Area, amounts in accordance with the following table:

<u>Country</u>	<u>Currency</u>
Denmark	7.46 DKK per €
Norway	7.41 NOK per €
Sweden.....	8.70 SEK per €

Switzerland 1.20 CHF per €
 United Kingdom 0.80 GBP per €
 For every other country..... 1 EUR per €

(each, an “**Initial FX Conversion Factor**” and, together, the “**Initial FX Conversion Factors**”).

If, in respect of any country in the Europe Windstorm Covered Area, the Reporting Agency ceases to report losses in the relevant Initial Currency and commences reporting losses in a replacement currency (each, a “**Replacement Currency**”) then an Initial FX Conversion Factor for such country will be applied to convert to Euro the losses reported in the Replacement Currency and such Initial FX Conversion Factor will be the official initial ratio at which such Initial Currency is converted into such Replacement Currency or, if an FX Conversion Factor already applies in respect of such country, the product of the previous FX Conversion Factor for such country and the official initial ratio at which such Initial Currency is converted into such Replacement Currency.

FX Conversion Factors..... The Initial FX Conversion Factors and, following any Reset, the Updated FX Conversion Factors (“**FX Conversion Factors**”).

III. Loss Calculation

Initial Attachment Level..... For the Class A Notes, 685.00 index points
 For the Class B Notes, 575.00 index points
 (“**Initial Attachment Level**”).

Initial Exhaustion Level..... For the Class A Notes, 785.00 index points
 For the Class B Notes, 675.00 index points
 (“**Initial Exhaustion Level**”).

Attachment Level For each Class of Notes, the Initial Attachment Level and, following any Reset, the applicable Updated Attachment Level (the “**Attachment Level**”).

Exhaustion Level For each Class of Notes, the Initial Exhaustion Level and, following any Reset, the applicable Updated Exhaustion Level (the “**Exhaustion Level**”).

Initial Index Deductible For the Class A Notes, 45.00 index points (the “**Initial Index Deductible**”).

Index Deductible..... The Initial Index Deductible and, following any Reset for the Class A Notes, the Updated Index Deductible (the “**Index Deductible**”).

For the avoidance of doubt, Initial Index Deductible and Index Deductible will not be applicable to the Class B Notes.

Event Index Value For each Covered Event, the U.S. Hurricane Index Value, the U.S. Earthquake Index Value or the Europe Windstorm Index Value, as

applicable (each, an “**Event Index Value**”).

Loss Period Index Value..... For each Loss Period for the Class A Notes calculated separately, an amount equal to the sum of Event Index Values for all Covered Events relating to the Class A Notes with a Date of Loss during such Loss Period (“**Loss Period Index Value**”). For the avoidance of doubt, the term Loss Period Index Value is not applicable to the Class B Notes.

Loss Amount Class A Notes

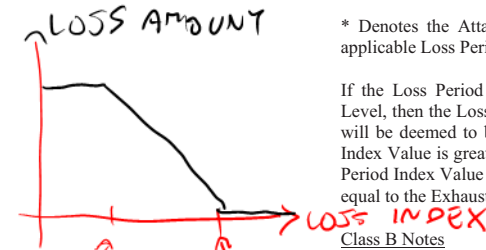
For the Class A Notes, as of any date of determination, for each Loss Period calculated separately, the “**Loss Amount**” will be determined according to the following formula:

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$$\text{Original Principal Amount} \times \left(\frac{\text{Loss Period Index Value} - \text{Attachment Level}^*}{\text{Exhaustion Level}^* - \text{Attachment Level}^*} \right)$$

* Denotes the Attachment Level or Exhaustion Level in effect for the applicable Loss Period.



If the Loss Period Index Value is less than the applicable Attachment Level, then the Loss Period Index Value for determining the Loss Amount will be deemed to be equal to the Attachment Level. If the Loss Period Index Value is greater than the applicable Exhaustion Level, then the Loss Period Index Value for determining the Loss Amount will be deemed to be equal to the Exhaustion Level.

For the Class B Notes, as of any date of determination, for each Covered Event calculated separately, the “**Loss Amount**” will be determined according to the following formula:

$$\text{Original Principal Amount} \times \left(\frac{\text{Event Index Value} - \text{Attachment Level}^*}{\text{Exhaustion Level}^* - \text{Attachment Level}^*} \right)$$

* Denotes the Attachment Level or Exhaustion Level in effect on the applicable Date of Loss.

If the Event Index Value is less than the applicable Attachment Level, then the Event Index Value for determining the Loss Amount will be deemed to be equal to the Attachment Level. If the Event Index Value is greater than the applicable Exhaustion Level, then the Event Index Value for determining the Loss Amount will be deemed to be equal to the Exhaustion Level.

Loss Payment Amount..... For each Class of Notes, as of each Payment Date, an amount equal to the aggregate sum of Loss Amounts, if any, for all applicable Loss Periods (in the case of the Class A Notes) or Covered Events (in the case of the Class B Notes), as applicable, calculated as of such Payment Date (the “**Loss**

Payment Amount”).

Period Loss Payment Amount For each Class of Notes, as of each Payment Date, the “**Period Loss Payment Amount**” is an amount equal to (i) the Loss Payment Amount calculated for such Payment Date for such Class of Notes minus (ii) the Loss Payment Amount calculated for the immediately preceding Payment Date for such Class of Notes (if the result of such calculation is greater than or equal to \$0 or €0, as applicable, such result is referred to herein as a “**Positive Period Loss Payment Amount**”; if the result of such calculation is less than \$0 or €0, as applicable, such result is referred to herein as a “**Negative Period Loss Payment Amount**”); *provided*, that any Positive Period Loss Payment Amount will not be greater than the Outstanding Principal Amount for such Class of Notes on the immediately prior Payment Date or the Issuance Date, as applicable.

Event Reporting

Calculation Agent AIR Worldwide Corporation or its successor, or any replacement calculation agent under the terms of the Calculation Agent Agreement (the “**Calculation Agent**”).

Calculation Agent Agreement On the Issuance Date, the Issuer will enter into a Calculation Agent Agreement with AIR Worldwide Corporation, pursuant to which AIR Worldwide Corporation will provide certain services to the Issuer in connection with the Class A Notes and Class B Notes, including services relating to Resets and the provision of Event Reports and Optional Extension Verification Reports (the “**Calculation Agent Agreement**”).

Event Notice Following a potential Covered Event, the Ceding Reinsurer may provide written notice to the Issuer, the Calculation Agent and the Indenture Trustee (each, an “**Event Notice**”) instructing the Calculation Agent to provide an Event Report for such potential Covered Event pursuant to and in accordance with the Calculation Agent Agreement. If the Ceding Reinsurer does not request the Issuer to provide an Event Notice within sixty (60) calendar days following the related Date of Loss, no Event Index Value will be calculated with respect to such potential Covered Event. Any Event Notice provided by the Ceding Reinsurer will be posted on IntraLinks by the Workspace Administrator as Available Information.

Event Report Following receipt of an Event Notice in respect of a potential Covered Event, the Calculation Agent will issue a report (each, an “**Event Report**”) to the Issuer, the Indenture Trustee and the Ceding Reinsurer stating the results of the procedures carried out by the Calculation Agent in determining whether such potential Covered Event is a Covered Event and, if a Covered Event, (i) the Event Index Value for such Covered Event, (ii) the Loss Period Index Value for the relevant Loss Period (but only for the Class A Notes), (iii) the Loss Amount, (iv) the Loss Payment Amount and (v) the Period Loss Payment Amount. Any Event Report provided by the Calculation Agent will be posted on IntraLinks by the Workspace Administrator as Available Information.

Event Reporting Date Pursuant to the terms of the Calculation Agent Agreement, the Calculation Agent will be required to submit an Event Report to the Issuer, the Ceding Reinsurer and the Indenture Trustee at least fifteen (15) Business Days prior to the first Payment Date following the date on which the relevant Event Notice is issued (the “**Initial Event Reporting Date**”), using the latest Reporting Agency Report available as of five (5) Business Days



Repsol International Finance B.V.
(incorporated with limited liability under the laws of The Netherlands)

€1,000,000,000 6 Year Non-Call Perpetual Securities

and

€1,000,000,000 10 Year Non-Call Securities due 2075

unconditionally and irrevocably guaranteed on a subordinated basis by

Repsol, S.A.
(incorporated with limited liability under the laws of the Kingdom of Spain)

The €1,000,000,000 6 Year Non-Call Perpetual Securities (the “**Euro Perpetual Securities**”) and the €1,000,000,000 10 Year Non-Call Securities due 2075 (the “**Euro Dated Securities**”), together with the Euro Perpetual Securities, the “**Securities**”) are issued by Repsol International Finance B.V. (the “**Issuer**”) and unconditionally and irrevocably guaranteed on a subordinated basis by Repsol, S.A. (the “**Guarantee**”, and the “**Guarantor**”, respectively).

Pursuant to the terms and conditions of the Euro Perpetual Securities as described in “*Terms and Conditions of the Euro Perpetual Securities*” (the “**Euro Perpetual Conditions**”), the Euro Perpetual Securities will bear interest on their principal amount (i) at a fixed rate of 3.875 per cent. per annum from (and including) the Issue Date to (but excluding) the First Reset Date (as defined in the Euro Perpetual Conditions) payable annually in arrear on 25 March in each year, with the first Interest Payment Date on 25 March 2016; and (ii) from (and including) the First Reset Date, at the applicable 6 year Swap Rate in respect of the relevant Reset Period (as defined in the Euro Perpetual Conditions), plus (A) in respect of the period commencing on the First Reset Date to (but excluding) 25 March 2025, 3.56 per cent. per annum; (B) in respect of the period commencing on 25 March 2025 to (but excluding) 25 March 2041, 3.81 per cent. per annum; and (C) from and including 25 March 2041, 4.56 per cent. per annum, all as determined by the Agent Bank, payable annually in arrear on 25 March in each year (each, an Interest Payment Date as defined in the Euro Perpetual Conditions), commencing on 25 March 2022.

Pursuant to the terms and conditions of the Euro Dated Securities as described in “*Terms and Conditions of the Euro Dated Securities*” (the “**Euro Dated Conditions**”), the Euro Dated Securities will bear interest on their principal amount (i) at a fixed rate of 4.50 per cent. per annum from (and including) the Issue Date to (but excluding) the First Reset Date (as defined in the Euro Dated Conditions) payable annually in arrear on 25 March in each year, with the first Interest Payment Date on 25 March 2016; and (ii) from (and including) the First Reset Date, at the applicable 10 year Swap Rate in respect of the relevant Reset Period (as defined in the Euro Dated Conditions), plus (A) in respect of the period commencing on the First Reset Date to (but excluding) 25 March 2045, 4.20 per cent. per annum; and (B) from and including 25 March 2045 to (but excluding) the Maturity Date, 4.95 per cent. per annum, all as determined by the Agent Bank, payable annually in arrear on 25 March in each year (each, an Interest Payment Date as defined in the Euro Dated Conditions), commencing on 25 March 2026.

- (B) in respect of the period commencing on 25 March 2025 to (but excluding) 25 March 2041, 3.81 per cent. per annum¹; and
- (C) from and including 25 March 2041, 4.56 per cent. per annum²,

all as determined by the Agent Bank, payable annually in arrear on each Interest Payment Date, commencing on 25 March 2022, subject to Condition 5.

All as more particularly described in Condition 4 (*Interest Payments*) of the Terms and Conditions of the Euro Perpetual Securities.

Interest Payment Dates:

Interest payments in respect of the Euro Perpetual Securities will be payable annually in arrear on 25 March in each year, commencing on 25 March 2016.

Status of the Euro Perpetual Securities:

The Euro Perpetual Securities and the Coupons constitute direct, unsecured and subordinated obligations of the Issuer (senior only to Junior Obligations of the Issuer) and will at all times rank *pari passu* and without any preference among themselves.

Subordination of the Euro Perpetual Securities:

In the event of an Issuer Winding-up, the rights and claims of the Holders against the Issuer in respect of or arising under the Euro Perpetual Securities and the Coupons will rank (i) junior to the claims of all holders of Senior Obligations of the Issuer, (ii) *pari passu* with the claims of holders of all Parity Obligations of the Issuer and (iii) senior to the claims of holders of all Junior Obligations of the Issuer.

Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Euro Perpetual Securities or the Coupons and each Holder shall, by virtue of being the Holder, be deemed to have waived all such rights of set-off. Condition 2.2 is an irrevocable stipulation (*derdenbeding*) for the benefit of the creditors of Senior Obligations of the Issuer and each such creditor may rely on and enforce Condition 2.2 under Section 6:253 of the Dutch Civil Code.

Guarantee and Status of Guarantee:

Payment of all sums expressed to be payable by the Issuer under the Euro Perpetual Securities and the Coupons will be unconditionally and irrevocably guaranteed by the Guarantor on a subordinated basis.

Subject to mandatory provisions of Spanish applicable law, the payment obligations of the Guarantor under the Guarantee constitute direct, unsecured and subordinated obligations of the Guarantor (senior only to Junior Obligations of the Guarantor) and will at all times rank *pari passu* and without preference among themselves.

Subordination of the Guarantee:

Subject to mandatory provisions of Spanish applicable law, the rights

¹ Step-up of 25 basis points 10 years after the Issue Date
² Step-up of an additional 75 basis points 26 years after the Issue Date

and claims of Holders against the Guarantor in respect of or arising under the Guarantee will rank (i) junior to the claims of the holders of all Senior Obligations of the Guarantor, (ii) *pari passu* with the claims of the holders of all Parity Obligations of the Guarantor, and (iii) senior to the claims of the holders of all Junior Obligations of the Guarantor.

Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Guarantor arising under or in connection with the Guarantee and each Holder shall, by virtue of being the Holder, be deemed to have waived all such rights of set-off.

Optional Interest Deferral:

The Issuer may, at its sole discretion, elect to defer (in whole or in part) any payment of interest on the Euro Perpetual Securities, as more particularly described in “*Terms and Conditions of the Euro Perpetual Securities – Optional Interest Deferral*”. Non-payment of interest so deferred shall not constitute a default by the Issuer or the Guarantor under the Euro Perpetual Securities or the Guarantee or for any other purpose. Any amounts so deferred, together with further interest accrued thereon (at the Prevailing Interest Rate applicable from time to time), shall constitute Arrears of Interest.

Optional Settlement of Arrears of Interest:

Arrears of Interest may be satisfied at the option of the Issuer, in whole or in part, at any given time upon giving not more than 14 and no less than seven Business Days’ notice to the Holders, the Fiscal Agent and the Paying Agents prior to the relevant Optional Deferred Interest Settlement Date informing them of its election so to satisfy such Arrears of Interest (or part thereof) and specifying the relevant Optional Deferred Interest Settlement Date. See Condition 5.2 (*Optional Settlement of Arrears of Interest*) of the Terms and Conditions of the Euro Perpetual Securities.

Mandatory Settlement of Arrears of Interest:

The Issuer shall pay any outstanding Arrears of Interest in whole, but not in part, on the first occurring Mandatory Settlement Date following the Interest Payment Date on which any outstanding Arrears of Interest was first deferred.

“**Mandatory Settlement Date**” means the earliest of:

- (i) as soon as reasonably practicable (but no later than the fifth business day) following the date on which a Compulsory Arrears of Interest Settlement Event occurs;
- (ii) following any Deferred Interest Payment, on the next scheduled Interest Payment Date on which the Issuer does not elect to defer in whole the interest accrued in respect of the relevant Interest Period; and
- (iii) the date on which the Euro Perpetual Securities are redeemed or repaid in accordance with Condition 6 (*Redemption and Purchase*) or become due and payable in accordance with Condition 9 (*Enforcement Events and No Events of Default*).

Subject to certain exceptions, as more particularly described in

Condition 5 (*Optional Interest Deferral*) of the Terms and Conditions of the Euro Perpetual Securities, a “**Compulsory Arrears of Interest Settlement Event**” shall have occurred if:

- (i) a Dividend Declaration is made in respect of any Junior Obligations or any Parity Obligations (other than in respect of any such dividend, distribution or payment paid or made exclusively in Ordinary Shares of the Guarantor); or
- (ii) the Guarantor or any of its subsidiaries has repurchased, redeemed or otherwise acquired any Junior Obligations or any Parity Obligations (other than, for the avoidance of doubt, a repurchase, redemption or acquisition of any Talisman Preferred Securities, which do not constitute Junior Obligations or Parity Obligations),

all as more particularly described in Condition 5 (*Optional Interest Deferral*) of the Terms and Conditions of the Euro Perpetual Securities.

Optional Redemption:

The Issuer may redeem the Euro Perpetual Securities in whole, but not in part, on the First Reset Date and on any Interest Payment Date thereafter at their principal amount together with any accrued and unpaid interest up to (but excluding) the Redemption Date and any outstanding Arrears of Interest.

In addition, upon the occurrence of an Accounting Event, a Capital Event, an Acquisition Event, a Tax Event, a Withholding Tax Event or a Substantial Purchase Event, the Euro Perpetual Securities will be redeemable (at the option of the Issuer) in whole, but not in part, at the prices set out, and as more particularly described, in Condition 6 (*Redemption and Purchase*) of the Terms and Conditions of the Euro Perpetual Securities.

Events of Default:

There are no events of default in respect of the Euro Perpetual Securities. However, if an Issuer Winding-up occurs, or an order is made or an effective resolution passed for the winding-up, dissolution or liquidation of the Guarantor (except for the purposes of a solvent merger, reconstruction or amalgamation), any Holder of a Euro Perpetual Security, in respect of such Euro Perpetual Security and provided that such Holder does not contravene an Extraordinary Resolution (if any) may, by written notice to the Issuer and the Guarantor, declare that such Euro Perpetual Security and all interest then accrued but unpaid on such Euro Perpetual Security shall be forthwith due and payable, whereupon the same shall become immediately due and payable, together with all interest accrued thereon.

In such case the Holder of a Euro Perpetual Security may, at its sole discretion, institute steps in order to obtain a judgment against the Issuer and/or the Guarantor for any amounts due in respect of the Euro Perpetual Securities, including the institution of proceedings for the declaration of insolvency (*declaración de concurso*) under Spanish Insolvency Law of the Guarantor and/or proving and/or claiming in an Issuer Winding-up or in the winding-up, dissolution,

liquidation or insolvency proceeding of the Guarantor for such amount.

Additional Amounts:

Payments in respect of the Euro Perpetual Securities and the Coupons by the Issuer or (as the case may be) the Guarantor under the Guarantee will be made without withholding or deduction for, or on account of, Taxes of The Netherlands or the Kingdom of Spain, unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, additional amounts will be payable by the Issuer or, as the case may be, the Guarantor, subject to certain exceptions as are more fully described in Condition 8.1 (*Taxation – Additional Amounts*) of the Terms and Conditions of the Euro Perpetual Securities.

Form:

The Euro Perpetual Securities will be in bearer form and will initially be represented by a Temporary Global Security, without interest coupons or talons, which will be deposited with a common depository on behalf of Euroclear and Clearstream, Luxembourg on or about the Issue Date. Interests in the Temporary Global Security will be exchangeable for interests in a Permanent Global Security as set out in the Temporary Global Security. The Permanent Global Security will be exchangeable for Definitive Securities in the circumstances set out in the Permanent Global Security. See “*Summary of Provisions relating to the Securities in Global Form*”.

Denominations:

The Euro Perpetual Securities will be issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000.

Governing Law:

The Fiscal Agency Agreement, the Euro Perpetual Securities, the Coupons and the Guarantee and any non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with English law, other than the provisions of Condition 2.1 (*Status and Subordination of the Securities and Coupons – Status of the Securities and Coupons*) and Condition 2.2 (*Status and Subordination of the Securities and Coupons – Subordination of the Securities*) relating to the subordination of the Euro Perpetual Securities which are governed by and construed in accordance with the laws of The Netherlands, and the provisions of Conditions 3.2 (*Guarantee, Status and Subordination of the Guarantee – Status of the Guarantee*) and Condition 3.3 (*Guarantee, Status and Subordination of the Guarantee – Subordination of the Guarantee*) relating to the subordination of the Guarantee and the corresponding provisions of the Guarantee which are governed by and construed in accordance with the laws of the Kingdom of Spain. See Condition 16 (*Governing Law*) of the Terms and Conditions of the Euro Perpetual Securities.

Replacement Intention:

As at the date of this Prospectus, it is the Guarantor’s intention (without thereby assuming any obligation) that at any time it or the Issuer will redeem or repurchase the Euro Perpetual Securities only to the extent that the aggregate principal amount of the Euro Perpetual Securities to be redeemed or repurchased does not exceed such part of the net proceeds received by the Guarantor or any subsidiary of the

Guarantor during the 360-day period prior to the date of such redemption or repurchase from the sale or issuance by the Guarantor or such subsidiary to third party purchasers (other than group entities of the Guarantor) of securities which are assigned by S&P, at the time of sale or issuance, an aggregate “equity credit” (or such similar nomenclature used by S&P from time to time) that is equal to or greater than the “equity credit” assigned to the Euro Perpetual Securities to be redeemed or repurchased at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Euro Perpetual Securities), unless:

- (i) the rating assigned by S&P to the Guarantor is at least “BBB-” (or such similar nomenclature then used by S&P) and the Guarantor is of the view that such rating would not fall below this level as a result of such redemption or repurchase, or
- (ii) in the case of a repurchase, such repurchase is of less than (a) 10 per cent. of the aggregate principal amount of the Euro Perpetual Securities originally issued in any period of 12 consecutive months or (b) 25 per cent. of the aggregate principal amount of the Euro Perpetual Securities originally issued in any period of 10 consecutive years, or
- (iii) the Euro Perpetual Securities are redeemed pursuant to a Tax Event, an Acquisition Event, a Capital Event, an Accounting Event or a Withholding Tax Event, or
- (iv) such redemption or repurchase occurs on or after the Interest Payment Date falling on 25 March 2041.

Rating:

The Euro Perpetual Securities will be rated BB by S&P, Ba1 by Moody’s and BB+ by Fitch. Each of S&P, Moody’s and Fitch is established in the European Union and registered under the CRA Regulation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Listing and Admission to Trading:

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* in its capacity as the competent authority for the purpose of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (the “**Prospectus Directive**”) and relevant implementing measures in Luxembourg as a prospectus issued in compliance with the Prospectus Directive and *loi relative aux prospectus pour valeurs mobilières du 10 juillet 2005* (the Luxembourg law on prospectuses for securities of 10 July 2005), as amended by the Luxembourg law of 3 July 2012 for the purpose of giving information with regard to the issue of the Euro Perpetual Securities. Application has been made to the Luxembourg Stock Exchange for the Euro Perpetual Securities to be admitted to trading on the Luxembourg Stock Exchange’s regulated market (which is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC) and to be listed on the official list of the Luxembourg Stock Exchange.

Selling Restrictions:	The United Kingdom, the United States of America, The Netherlands and the Kingdom of Spain. See “ <i>Subscription and Sale</i> ”.
Use of Proceeds:	Category 2 selling restrictions will apply for the purposes of Regulation S under the Securities Act. The net proceeds of the issue of the Euro Perpetual Securities, which together with the net proceeds of the issue of the Euro Dated Securities, are expected to amount to €1,990,400,000 will be used to finance in part the acquisition of the Canadian-based upstream oil and gas company Talisman Energy Inc. (see “ <i>Acquisition of Talisman Energy</i> ”). In the event that the aforementioned transaction is not consummated, the proceeds of the issuance of the Securities may either (i) be used for the Group’s general corporate purposes, which may include the financing of other merger and acquisition activities, if any or (ii) the Issuer may give notice that an Acquisition Event has occurred and redeem any series of Securities in accordance with Condition 6.6 (<i>Redemption for Acquisition Event</i>) of the Euro Perpetual Securities or Condition 6.5 (<i>Redemption for Acquisition Event</i>) of the Euro Dated Securities.
Risk Factors:	Prospective investors should carefully consider the information set out in “ <i>Risk Factors</i> ” in conjunction with the other information contained or incorporated by reference in this Prospectus.
ISIN:	XS1207054666.
Common Code:	120705466.

OVERVIEW OF THE EURO DATED SECURITIES

This overview must be read as an introduction to this Prospectus and any decision to invest in the Euro Dated Securities should be based on a consideration of the Prospectus as a whole, including the information incorporated by reference.

Words and expressions defined in the “Terms and Conditions of the Euro Dated Securities” below have the same meanings in this overview.

Issuer:	Repsol International Finance B.V.
Guarantor:	Repsol, S.A.
Description of the Euro Dated Securities:	€1,000,000,000 10 Year Non-Call Securities due 2075 (the “ Euro Dated Securities ”), to be issued by the Issuer on 25 March 2015 (the “ Issue Date ”).
Structuring Adviser	Merrill Lynch International
Global Coordinators	Merrill Lynch International, Deutsche Bank AG, London Branch and J.P. Morgan Securities plc
Joint Bookrunners:	Banco Santander, S.A., CaixaBank, S.A., Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch, J.P. Morgan Securities plc, Merrill Lynch International, Natixis, UBS Limited and UniCredit Bank AG.
Fiscal Agent:	Citibank, N.A., London Branch.
Issue Price:	100 per cent. of the principal amount of the Euro Dated Securities. ALLA PARI
Issue Date:	<u>25 March 2015.</u>
Maturity Date:	<u>25 March 2075.</u>
Interest:	The Euro Dated Securities will bear interest on their principal amount: <ul style="list-style-type: none"> (i) from (and including) the Issue Date to (but excluding) the First Reset Date at a rate of 4.50 per cent. per annum, payable annually in arrear on each Interest Payment Date, commencing on 25 March 2016; and (ii) from (and including) the First Reset Date, at the applicable 10 year Swap Rate in respect of the relevant Reset Period plus: <ul style="list-style-type: none"> (A) in respect of the period commencing on the First Reset Date to (but excluding) 25 March 2045, 4.20 per cent. per annum³; and (B) from and including 25 March 2045 to (but excluding) the Maturity Date, 4.95 per cent. per annum⁴,

³ Step-up of 25 basis points 10 years after the Issue Date

all as determined by the Agent Bank, payable annually in arrear on each Interest Payment Date, commencing on 25 March 2026, subject to Condition 5.

All as more particularly described in Condition 4 (*Interest Payments*) of the Terms and Conditions of the Euro Dated Securities.

Interest Payment Dates:

Interest payments in respect of the Euro Dated Securities will be payable annually in arrear on 25 March in each year, commencing on 25 March 2016.

Status of the Euro Dated Securities:

The Euro Dated Securities and the Coupons constitute direct, unsecured and subordinated obligations of the Issuer (senior only to Junior Obligations of the Issuer) and will at all times rank *pari passu* and without any preference among themselves.

Subordination of the Euro Dated Securities:

In the event of an Issuer Winding-up, the rights and claims of the Holders against the Issuer in respect of or arising under the Euro Dated Securities and the Coupons will rank (i) junior to the claims of all holders of Senior Obligations of the Issuer, (ii) *pari passu* with the claims of holders of all Parity Obligations of the Issuer and (iii) senior to the claims of holders of all Junior Obligations of the Issuer.

Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Euro Dated Securities or the Coupons and each Holder shall, by virtue of being the Holder, be deemed to have waived all such rights of set-off. Condition 2.2 is an irrevocable stipulation (*derdenbeding*) for the benefit of the creditors of Senior Obligations of the Issuer and each such creditor may rely on and enforce Condition 2.2 under Section 6:253 of the Dutch Civil Code.

Guarantee and Status of Guarantee:

Payment of all sums expressed to be payable by the Issuer under the Euro Dated Securities and the Coupons will be unconditionally and irrevocably guaranteed by the Guarantor on a subordinated basis.

Subject to mandatory provisions of Spanish applicable law, the payment obligations of the Guarantor under the Guarantee constitute direct, unsecured and subordinated obligations of the Guarantor (senior only to Junior Obligations of the Guarantor) and will at all times rank *pari passu* and without preference among themselves.

Subordination of the Guarantee:

Subject to mandatory provisions of Spanish applicable law, the rights and claims of Holders against the Guarantor in respect of or arising under the Guarantee will rank (i) junior to the claims of the holders of all Senior Obligations of the Guarantor, (ii) *pari passu* with the claims of the holders of all Parity Obligations of the Guarantor, and (iii) senior to the claims of the holders of all Junior Obligations of the Guarantor.

Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Guarantor arising

under or in connection with the Guarantee and each Holder shall, by virtue of being the Holder, be deemed to have waived all such rights of set-off.

Optional Interest Deferral:

~~The Issuer may at its sole discretion elect to defer (in whole or in part) any payment of interest on the Euro Dated Securities, as more particularly described in “Terms and Conditions of the Euro Dated Securities – Optional Interest Deferral”.~~ Non-payment of interest so deferred shall not constitute a default by the Issuer or the Guarantor under the Euro Dated Securities or the Guarantee or for any other purpose. Any amounts so deferred, together with further interest accrued thereon (at the Prevailing Interest Rate applicable from time to time), shall constitute Arrears of Interest.

Optional Settlement of Arrears of Interest:

Arrears of Interest may be satisfied at the option of the Issuer, in whole or in part, at any given time upon giving not more than 14 and no less than seven Business Days’ notice to the Holders, the Fiscal Agent and the Paying Agents prior to the relevant Optional Deferred Interest Settlement Date informing them of its election so to satisfy such Arrears of Interest (or part thereof) and specifying the relevant Optional Deferred Interest Settlement Date. See Condition 5.2 (*Optional Settlement of Arrears of Interest*) of the Terms and Conditions of the Euro Dated Securities.

Mandatory Settlement of Arrears of Interest:

The Issuer shall pay any outstanding Arrears of Interest in whole, but not in part, on the first occurring Mandatory Settlement Date following the Interest Payment Date on which any outstanding Arrears of Interest was first deferred.

“Mandatory Settlement Date” means the earliest of:

- (i) as soon as reasonably practicable (but no later than the fifth business day) following the date on which a Compulsory Arrears of Interest Settlement Event occurs;
- (ii) following any Deferred Interest Payment, on the next scheduled Interest Payment Date on which the Issuer does not elect to defer in whole the interest accrued in respect of the relevant Interest Period; and
- (iii) the date on which the Euro Dated Securities are redeemed or repaid in accordance with Condition 6 (*Redemption and Purchase*) or become due and payable in accordance with Condition 9 (*Enforcement Events and No Events of Default*).

Subject to certain exceptions, as more particularly described in Condition 5 (*Optional Interest Deferral*) of the Terms and Conditions of the Euro Dated Securities, a “Compulsory Arrears of Interest Settlement Event” shall have occurred if:

- (i) a Dividend Declaration is made in respect of any Junior Obligations or any Parity Obligations (other than in respect of any such dividend, distribution or payment paid or made exclusively in Ordinary Shares of the Guarantor); or

⁴ Step-up of an additional 75 basis points 30 years after the Issue Date

(ii) the Guarantor or any of its subsidiaries has repurchased, redeemed or otherwise acquired any Junior Obligations or any Parity Obligations (other than, for the avoidance of doubt, a repurchase, redemption or acquisition of any Talisman Preferred Securities, which do not constitute Junior Obligations or Parity Obligations),

all as more particularly described in Condition 5 (*Optional Interest Deferral*) of the Terms and Conditions of the Euro Dated Securities.

Redemption:

Unless previously repaid, redeemed or purchased and cancelled as provided in the Euro Dated Conditions, the Securities will be redeemed on the Maturity Date at their principal amount together with any accrued and unpaid interest up to (but excluding) the Maturity Date and any outstanding Arrears of Interest.

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Optional Redemption:

The Issuer may redeem the Euro Dated Securities in whole, but not in part, on the First Reset Date and on any Interest Payment Date thereafter at their principal amount together with any accrued and unpaid interest up to (but excluding) the Redemption Date and any outstanding Arrears of Interest.

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In addition, upon the occurrence of an a Capital Event, an Acquisition Event, a Tax Event, a Withholding Tax Event or a Substantial Purchase Event, the Euro Dated Securities will be redeemable (at the option of the Issuer) in whole, but not in part, at the prices set out, and as more particularly described, in Condition 6 (*Redemption and Purchase*) of the Terms and Conditions of the Euro Dated Securities.

Events of Default:

There are no events of default in respect of the Euro Dated Securities. However, if an Issuer Winding-up occurs, or an order is made or an effective resolution passed for the winding-up, dissolution or liquidation of the Guarantor (except for the purposes of a solvent merger, reconstruction or amalgamation), any Holder of a Euro Dated Security, in respect of such Euro Dated Security and provided that such Holder does not contravene an Extraordinary Resolution (if any) may, by written notice to the Issuer and the Guarantor, declare that such Euro Dated Security and all interest then accrued but unpaid on such Euro Dated Security shall be forthwith due and payable, whereupon the same shall become immediately due and payable, together with all interest accrued thereon.

In such case the Holder of a Euro Dated Security may, at its sole discretion, institute steps in order to obtain a judgment against the Issuer and/or the Guarantor for any amounts due in respect of the Euro Dated Securities, including the institution of proceedings for the declaration of insolvency (*declaración de concurso*) under Spanish Insolvency Law of the Guarantor and/or proving and/or claiming in an Issuer Winding-up or in the winding-up, dissolution, liquidation or insolvency proceeding of the Guarantor for such amount.

Additional Amounts:

Payments in respect of the Euro Dated Securities and the Coupons by the Issuer or (as the case may be) the Guarantor under the Guarantee will be made without withholding or deduction for, or on account of,

Form:

Taxes of The Netherlands or the Kingdom of Spain, unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, additional amounts will be payable by the Issuer or, as the case may be, the Guarantor, subject to certain exceptions as are more fully described in Condition 8.1 (*Taxation - Additional Amounts*) of the Terms and Conditions of the Euro Dated Securities.

The Euro Dated Securities will be in bearer form and will initially be represented by a Temporary Global Security, without interest coupons or talons, which will be deposited with a common depository on behalf of Euroclear and Clearstream, Luxembourg on or about the Issue Date. Interests in the Temporary Global Security will be exchangeable for interests in a Permanent Global Security as set out in the Temporary Global Security. The Permanent Global Security will be exchangeable for Definitive Securities in the circumstances set out in the Permanent Global Security. See “*Summary of Provisions relating to the Securities in Global Form*”.

Denominations:

The Euro Dated Securities will be issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000.

Governing Law:

The Fiscal Agency Agreement, the Euro Dated Securities, the Coupons and the Guarantee and any non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with English law, other than the provisions of Condition 2.1 (*Status and Subordination of the Securities and Coupons – Status of the Securities and Coupons*) and Condition 2.2 (*Status and Subordination of the Securities and Coupons – Subordination of the Securities*) relating to the subordination of the Euro Dated Securities which are governed by and construed in accordance with the laws of The Netherlands, and the provisions of Conditions 3.2 (*Guarantee, Status and Subordination of the Guarantee – Status of the Guarantee*) and Condition 3.3 (*Guarantee, Status and Subordination of the Guarantee – Subordination of the Guarantee*) relating to the subordination of the Guarantee and the corresponding provisions of the Guarantee which are governed by and construed in accordance with the laws of the Kingdom of Spain. See Condition 16 (*Governing Law*) of the Terms and Conditions of the Euro Dated Securities.

Replacement Intention:

As at the date of this Prospectus, it is the Guarantor’s intention (without thereby assuming any obligation) that at any time it or the Issuer will redeem or repurchase the Euro Dated Securities only to the extent that the aggregate principal amount of the Euro Dated Securities to be redeemed or repurchased does not exceed such part of the net proceeds received by the Guarantor or any subsidiary of the Guarantor during the 360-day period prior to the date of such redemption or repurchase from the sale or issuance by the Guarantor or such subsidiary to third party purchasers (other than group entities of the Guarantor) of securities which are assigned by S&P, at the time of sale or issuance, an aggregate “equity credit” (or such similar nomenclature used by S&P from time to time) that is equal to or

greater than the “equity credit” assigned to the Euro Dated Securities to be redeemed or repurchased at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Euro Dated Securities), unless:

- (i) the rating assigned by S&P to the Guarantor is at least “BBB-” (or such similar nomenclature then used by S&P) and the Guarantor is of the view that such rating would not fall below this level as a result of such redemption or repurchase, or
- (ii) in the case of a repurchase, such repurchase is of less than (a) 10 per cent. of the aggregate principal amount of the Euro Dated Securities originally issued in any period of 12 consecutive months or (b) 25 per cent. of the aggregate principal amount of the Euro Dated Securities originally issued in any period of 10 consecutive years, or
- (iii) the Euro Dated Securities are redeemed pursuant to a Tax Event, an Acquisition Event, a Capital Event or a Withholding Tax Event, or
- (iv) such redemption or repurchase occurs on or after the Interest Payment Date falling on 25 March 2045.

Rating:

The Euro Dated Securities will be rated BB by S&P, Ba1 by Moody’s and BB+ by Fitch. Each of S&P, Moody’s and Fitch is established in the European Union and registered under the CRA Regulation. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Listing and Admission to Trading:

This Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* in its capacity as the competent authority for the purpose of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended (the “**Prospectus Directive**”) and relevant implementing measures in Luxembourg as a prospectus issued in compliance with the Prospectus Directive and *loi relative aux prospectus pour valeurs mobilières du 10 juillet 2005* (the Luxembourg law on prospectuses for securities of 10 July 2005), as amended by the Luxembourg law of 3 July 2012 for the purpose of giving information with regard to the issue of the Euro Dated Securities. Application has been made to the Luxembourg Stock Exchange for the Euro Dated Securities to be admitted to trading on the Luxembourg Stock Exchange’s regulated market (which is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC) and to be listed on the official list of the Luxembourg Stock Exchange.

Selling Restrictions:

The United Kingdom, the United States of America, The Netherlands and the Kingdom of Spain. See “*Subscription and Sale*”.

Category 2 selling restrictions will apply for the purposes of Regulation S under the Securities Act.

Use of Proceeds:

The net proceeds of the issue of the Euro Dated Securities, which together with the net proceeds of the issue of the Euro Perpetual Securities, are expected to amount to €1,990,400,000 will be used to finance in part the acquisition of the Canadian-based upstream oil and gas company Talisman Energy Inc. (see “*Acquisition of Talisman Energy*”). In the event that the aforementioned transaction is not consummated, the proceeds of the issuance of the Securities may either (i) be used for the Group’s general corporate purposes, which may include the financing of other merger and acquisition activities, if any or (ii) the Issuer may give notice that an Acquisition Event has occurred and redeem any series of Securities in accordance with Condition 6.6 (*Redemption for Acquisition Event*) of the Euro Perpetual Securities or Condition 6.5 (*Redemption for Acquisition Event*) of the Euro Dated Securities.

Risk Factors:

Prospective investors should carefully consider the information set out in “*Risk Factors*” in conjunction with the other information contained or incorporated by reference in this Prospectus.

ISIN:

XS1207058733.

Common Code:

120705873.