#43693033

| Unit | |
|---|---|
| Nominal | X |

# Tracker Green New Deal Dynamic Portfolio - EUR - Open-end

| New Issue | Type | Maturity Date | Issue Price | Capital Protection |
|---|---|---|---|---|
| Series N°30 | Certificate | Not applicable | 100% of the Nominal Value | Non Capital Protected Product |

Please note that this Certificate is subject to Section 871(m) of the U.S. Internal Revenue Code (IRC) as described below in the Specific Risk Factors section. The potential relative withholding tax will be withheld by the issuer in accordance with the issuer solution.

The Certificates are sophisticated instruments, which can involve a significant degree of risk and are intended for sale only to those investors who are knowledgeable in investment matters and who are capable of understanding the risks involved in such instruments. We would also draw your attention to the section headed "Investor Responsibility" and "Selling Restrictions" below and to the notices and disclaimers appearing on the last page of this Termsheet.

This term sheet of terms and conditions (the **"Termsheet"**) refers to and incorporates the definitions and provisions contained in the base prospectus dated 04 September 2020 describing the debt securities issue programme of Exane Solutions (Luxembourg) SA (the **"Base Prospectus"**), as supplemented by any supplement(s) thereto approved and published on or before the Issue Date of the Certificates.

Unless the context otherwise specifically requires, capitalised terms used in this Termsheet and not otherwise defined herein shall have the meanings specified for such terms in the Base Prospectus and in the applicable Final Terms or Pricing Supplement.

## Terms & Conditions

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| **Issuer** | Exane Solutions (Luxembourg) SA whose head office is at 6 rue Eugène Ruppert, L-2453 Luxembourg (Luxembourg). |
| **Guarantor** | Exane SA (Moody's: Baa2; S&P: BBB+) whose head office is at 6 rue Ménars, 75002 Paris (France).<br>The Guarantor is authorized by the French Resolution and Prudential Control Authority (the "Autorité de Contrôle Prudentiel et de Resolution") and is regulated by the Autorité de Contrôle Prudentiel et de Resolution and the Autorité des Marchés Financiers.<br>*The Issuer's payment obligations are guaranteed by the Guarantor.* |
| **Dealer** | Exane Derivatives |
| **Type** | Certificate |
| **ISIN code** | FRELU0000146 |
| **Issue Size** | EUR 5,000,000 (i.e. 5,000 Certificates of EUR 1,000.00 each) |
| **Nominal Value** | EUR 1,000.00 |
| **Minimum Trading Number** | EUR 1,000.00 minimum and multiples of EUR 1,000.00 thereafter |
| **Trade Date** | 23 November 2020 |
| **Initial Valuation Date** | 23 November 2020 |
| **Issue Date** | 03 December 2020 |
| **Reference Date for the Issuer** | 23 November 2023 |
| **Reference Date for the Holder** | 23 November 2023 |
| **Maturity Date** | Not applicable |
| **Issue Price** | 100% of the Nominal Value |

## Target Market

**This Certificate is intended for investors who** :

- Are retail investor and/or professional investor and/or eligible counterparty
- Have good knowledge and / or experience of financial markets
- Are able to bear a total loss of capital (up to the total notional amount)
- Have a high risk tolerance (risk oriented or speculative profile)
- Have a  short-term investment horizon of more than 1 year and less than 3 years
- Have an objective to invest in a capital growth product

**The recommended distribution strategy is** :

- For all type of clients : With the provision of investment advice and/or with the provision of  portfolio management services
- For professional clients only  : with the provision of order execution – reception and transmission of orders (with appropriateness test)

## Negative Target Market

This Certificate is not intended for investors who:

- Are retails investors who have basic knowledge and little and no experience of financial markets
- Are not able to bear any capital loss (i.e. look for capital protection at maturity)
- Have a low risk tolerance (conservative profile)

## Product Description

The Certificate issued by Exane Solutions (Luxembourg) SA carries a risk of capital loss during its life and at termination.

The Certificate provides an exposure to the Underlying, (**"Green New Deal Dynamic Portfolio**") described below.

The Certificate is of perpetual maturity. Nonetheless, Exane Solutions (Luxembourg) SA and the investor can call in the Certificate from 23 November 2023.

**The Certificate:**
The Certificate is fully invested in the Underlying

**The Underlying** is a Dynamic Portfolio net of the following fees:
- The maintenance fees of 0.50% p.a. of the initial value of the Dynamic Portfolio
- The distribution fees of 0.50% p.a. of the Dynamic Portfolio value
- The Rebalancing Costs such as described in the Methology

At the repayment date, the Holder receives 100.00% of the Nominal Value multiplied by :
- The final unwind value of the Underlying as a percentage of its initial value,

## Reference Value

Official level of the Underlying

## Underlying

The **"Green New Deal"** Dynamic Portfolio (Bloomberg code: EXDMCGND Index) is a Dynamic Portfolio jointly developed by Exane Derivatives (the **"Portfolio Sponsor"**) and Capland SA (the **"Portfolio Advisor").** Exane Derivatives will act as calculation agent (the "**Portfolio Calculation Agent**").

The Dynamic Portfolio is designed for asset allocation using Equity Instruments and Index Instruments including Exane Proprietary Indices. It may also include FX hedging and a cash position.

The Creation Date of the Dynamic Portfolio is November 23h, 2020 with a value of EUR 1,000.00.

The calculation and all information relating to the Index, including the methodology and the revision of the Dynamic Portfolio, are available on the website www.exane.com.

The Dynamic Portfolio is not of Maintenance Fee of 0.50% pa and Distribution Fee of 0.50% pa

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| | The Dynamic Portfolio composition is available every day on https://www.exane.com/exaneindex/accueil. |
| **Settlement at the option of the Issuer** | On any Business Day as of the Reference Date for the Issuer, the Issuer can exercise his option to redeem all the Certificates at the Issuer's Optional Settlement Amount by sending a notice to the Holders via the Paying Agent (published by the central depositories) and within a minimum period of five calendar days between the date of publication and the exercise date (the "**Issuer's Optional Settlement Exercise Date**").<br><br>The Issuer can redeem all of the Certificates at the Issuer's Optional Settlement Amount on any Business Day as of the Issue Date if the outstanding notional falls below EUR 3,000,000 (the "**Threshold Trigger Option**"). |
| **Issuer's Valuation Date** | Issuer's Optional Settlement Exercise Date + 20 Business Days |
| **Issuer's Optional Settlement Date** | Issuer's Optional Settlement Exercise Date + 25 Business Days |
| **Settlement at the option of the Holder** | On any Business Day as of the Reference Date for the Holder, each Holder can notify the exercise of his option to redeem his Certificate at the Holder's Optional Settlement Amount. Each Holder will have to send a notice to the Issuer by email at the following address: mo-notifications@exane.com. The exercise date (the "Holder's Optional Settlement Exercise Date") will be deemed to be the fifth Business Day following confirmation of such notice by the Issuer by return email receipt. Otherwise, the exercise will be deemed to be null and void. |
| **Holder's Valuation Date** | Holder's Optional Settlement Exercise Date + 20 Business Days |
| **Holder's Optional Settlement Date** | Holder's Optional Settlement Exercise Date + 25 Business Days |
| **Issuer's Optional Settlement Amount** | On the Issuer's Optional Settlement Date the Holder of one Certificate will receive the following cash amount in EUR:<br><br>$\textbf{Nominal Value} \times \frac{\textbf{FinalUnderlying}}{\textbf{InitialUnderlying}}$<br><br>Where,<br>**"FinalUnderlying"** is the Reference Value at the close on the Issuer's Valuation Date corresponding to the unwinding of the components of the Underlying, as determined in a commercially reasonable manner by the Calculation Agent and based on the effectively executed price of such components.<br><br>**"InitialUnderlying"** is the Reference Value at the close on the Initial Valuation Date. |
| **Holder's Optional Settlement Amount** | The Holder's Optional Settlement Amount is determined using the calculation method of the Issuer's Optional Settlement Amount by replacing any reference to "Issuer's Valuation Date" with the "Holder's Valuation Date" and by replacing any reference to "Issuer's Optional Settlement Date" with the "Holder's Optional Settlement Date". |
| **Currency** | Euro (EUR) |
| **Settlement Type** | Cash settlement only |
| **Common code** | To be determined |
| **Telekurs code** | 56930838 |
| **Listing** | Unlisted |

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| **Paying Agent** | Exane Derivatives whose head office is at 6 rue Ménars, 75002 Paris (France) |
| **Calculation Agent** | Exane Derivatives whose head office is at 6 rue Ménars, 75002 Paris (France) |
| **Business Day for Payment** | TARGET 2 |
| **Business Day Convention** | Following Business Day |
| **Central Depositary** | Euroclear France |
| **Documentation** | The Certificates shall be governed by the conditions of the Securities (the **"Conditions"**) set forth in the Base Prospectus dated 04 September 2020, as supplemented by any supplement(s) thereto approved and published on or before the Issue Date of the Certificates and by the provisions set forth in the final terms or pricing supplement applicable to the Certificates (the *"Final Terms"* or the *"Pricing Supplement"*, as applicable). Any reference in this Termsheet to *"Final Terms"* shall be deemed to include a reference to *"Pricing Supplement"*.<br><br>The Base Prospectus and the supplement(s), if any is/are available on www.exane.com/exaneissues. |
| **Governing Law** | French law |
| **Commissions** | Exane Derivatives will pay a fee to third parties in connection with the placement of these Certificates in the form of either commission or an amount equal to the difference between the subscription price for the Certificate and the price payable by investors.<br><br>Further information on the amount of any fees paid are available on request from Exane Derivatives (6, rue Ménars – 75002 Paris – France). |
| **Secondary Market** | Under normal market conditions Exane Derivatives plans to contribute an indicative estimate of the market value of the Certificates with a 0.50% bid/ask spread on the screens of Reuters EXANEDERIV, Bloomberg EXANE and Telekurs (in the event the Certificates pays one or more interest amounts, the quotation price will include the accrued interest). Investors should only take into account the publication of this indicate estimate. |
| **Section 871(m) Regulations** | The Certificates are Specified Securities and then in scope of Section 871(m) of the Internal Revenue Code issued by the US Internal Revenue Service and Treasury Department (IRS) **(IRC Section 871(m))** which imposes a new US withholding tax on dividend equivalent payments (DEA- Dividend Equivalent Amounts- as defined by such regulations) made to non US persons on specified products which have (i) underlying US equities components (e.g. specified Equity Linked Instruments (ELIs), specified Notional Principal Contracts (NPCs) as defined by such regulations) (US Equities Linked Product or Product), (ii) fulfilling certain requirements (delta threshold for simple contracts or substantial equivalent test for complex contracts) and (ii) issued after 1st January 2017 or subject to substantial modifications after 1st January 2017.<br>Additional information will be available at the registered office of the Issuer as follows :<br>6, rue Ménars<br>75002 Paris<br>France<br>Email : COO_Exane_Derivatives@exane.com<br>Tel: (+33) 1 44 95 40 00 |
| **Selling Restrictions** | These Securities have not been and will not be issued, placed, distributed, offered or negotiated as a public offering in any countries. Neither the Issuer of the securities, Exane Solutions (Luxembourg) SA, nor Exane Derivatives and nor the issuance of the Security has been or will be approved or registered with the local authority of the relevant countries.<br><br>The Security may be offered only to qualified investors or as private offering in accordance to the applicable Law of the relevant country.<br><br>These Securities cannot be sold by way of a public offering in France, within or outside a member State of the European Economic Area. |

In Switzerland, these Securities may only be offered, sold or distributed by way of private placement to qualified investors within the meaning of the Swiss Collective Investments Schemes (CISA). The Securities do not constitute participations in a collective investment scheme in the meaning of the CISA. The Securities are not subject to the authorization or supervision of the FINMA.

This issue has not been and will not be registered under the US Securities Act of 1933 as amended, and may not be offered or sold within the USA or to US Persons.

Please refer to the section entitled "Subscription, Purchase and Selling Restrictions" in the Base Prospectus for a description of further restrictions on offers, sales and transfers.

## Risk Factors

The following are certain risks in relation to the Certificates but does not purport to be a full or complete description of such risks. The investor should read these risks in conjunction with the risks factors sections of the Base Prospectus.

**Credit risk**
By acquiring the product, the investor takes a credit risk on the issuer and its guarantor, i.e. the risk of loss due to default by the Issuer or Guarantor where the Issuer or Guarantor fails to perform its obligations. Any actual or potential decline or suppression of the credit rating of the Guarantor may affect the market value of the Securities.

**Suitability of the investment**
Potential investors must be experienced in transactions on the capital markets and with securities with values that are linked to underlying elements, and be able to evaluate the merits and risks of transactions in the Securities and the impact the Securities will have on their overall investment portfolio. They must be able to bear the economic risk of an investment in the Securities until their maturity date. They should make their investment decision only after a detailed review, with their own advisors, of the suitability of these Securities to their individual financial situation and of the information concerning the Underlyings of the Securities provided if the case arises in the Base Prospectus and the Final Terms.

**Specific risks in respect of Certificates**
An investment in Certificates entails significant risks that are not associated with similar investments in a conventional fixed or floating rate debt security. The Issuer believes that Certificates should only be purchased by investors who are in a position to understand the specific risks that an investment in these instruments involves or who purchase them on the advice of a financial institution or by other professional investors. Certificates linked to an Underlying are Securities with no rights to any settlement amount or predetermined interest payments, but specify amounts payable (in principal and/or interest) or deliverable that depend on the performance of the Underlying, which may involve substantial risks including credit, interest rate, currency, correlation, time value, political and other risks. The Issuer will often enter into hedging arrangements to gain exposure to the Underlying. Potential investors must be aware that they are exposed, under the terms of Securities linked to Underlyings, to the performance of such hedging contracts and to events that may affect such hedging contracts and, accordingly, the occurrence of any such event may affect the value of the Securities.

An investment in a Security therefore involves significant risks. These risks include, among other things, the possibility that:

(a) the relevant Underlying may be subject to significant price swings due to the intrinsic composition of the Underlying itself;
(b) the final interest rate payable may be lower (although it may equally be higher) than the rate payable on a traditional debt instrument issued by the Issuer on the same date;
(c) the Holder of a Certificate could lose all or a substantial portion of his investment on such Security, and, if the nominal value is lost, interest may cease to be payable on the Certificate;
(d) the risks of investing in a Certificate encompass not only risks relating to the underlying on which the Securities are indexed, but also risks that are specific to the Security itself;
(e) any Multi Underlying linked Security (that is indexed to more than one type of Underlying, or on

formulas that encompass the risks associated with more than one type of asset) may carry levels of risk that are greater than Securities that are linked to one Underlying only or indexed to one type of asset only;

(f) it may not be possible for investors to hedge their exposure to these various risks relating to Certificates; and

(g) a material market disruption could lead to the disappearance of the Underlying(s) on which the Certificates are indexed.

**Possible lack of liquidity for the Securities on the secondary market**

It is impossible to predict whether a secondary market will develop for the Securities, or at what price Securities will be traded on the secondary market, or whether or not this market, if it develops, will be liquid. Accordingly, any person intending to hold Securities must consider the associated liquidity risks.

If an active trading market for the Securities does not develop or is not maintained, the market or trading price and liquidity of the Securities may be adversely affected. The Issuer, the Guarantor or its affiliates are authorised to buy and sell the Securities for their own account or for the account of others, and to issue additional Securities. Such transactions may affect the price of the Securities favorably or adversely. A decrease in the liquidity of an issue of Securities may cause the volatility and price of such issue of Securities to increase. If additional and competing products are introduced in the markets, this may also adversely affect the value of the Securities. A lack of liquidity in the Securities may mean that investors may not be able to sell their Securities or may not be able to sell their Securities for the same price they paid for them and accordingly investors may lose some or all of the amount of their investment.

**Volatility affecting the secondary market for Securities**

The market for debt securities issued by investment services providers is influenced by economic and market conditions. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Securities or that economic and market conditions will not have any other adverse effects.

**Risks linked to the Underlyings**

The investor will not be a beneficial owner of the Underlying or of the components of the Underlying. Therefore, depending on the profile of the Certificate, the potential investor may not be entitled to receive any dividends or similar amounts paid on the Underlying or on the components of the Underlying, nor exercise any rights granted to direct owners of the Underlying or of the components of the Underlying to obtain assets.

The investor may bear similar market risks or other risks to a direct investment on the Underlying or on the components of the Underlying.

The investor will not be entitled to any voting rights or other control rights that may have holders of the Underlying or on the components of the Underlying.

The return on the Certificates may not reflect the return the investor would realise if he or she actually owned the Underlying or the components of the Underlying.

**Potential conflicts of interests**

The Issuer, the Guarantor or its subsidiaries may also enter into trades (including hedging transactions) relating to the Underlying and other instruments or derivative products based on or relating to the Underlying for their own account or on behalf of third parties as part of their management activity.

In the course of this business, the Issuer, the Guarantor, the Calculation Agent and any of their respective Affiliates may acquire non-public information about an Underlying or any companies or assets related that is or may be material in the context of the issue of the Securities and that may not be publicly available or known to other third parties. There is no obligation on the Issuer, the Guarantor, the Calculation Agent and any of their respective Affiliates to disclose to the Holders or any other party any such relationship or information whether before or after the Issue Date.

For the sake of transparency, it is brought to the attention of the investors the following different situations that may generate a potential conflict of interest:

i. the composition (selection of the components, additions, deletions…), the methodology, and the manners of computation of an Index Underlying, can be determined - under certain circumstances - by Exane Derivatives or any other member company of the Exane group;
ii. the investment rules and the methods of constitution of a Fund Underlying can be determined – under certain circumstances - by Exane Derivatives or any other member company of the Exane group. In addition, Exane Asset Management or Ellipsis Asset Management can be appointed as Management Company of a Fund Underlying;
iii. In addition, if the hedging activities of Exane Derivatives or of one of its affiliates in connection with a particular index are disrupted, Exane Derivatives or the relevant affiliate may decide to terminate calculations in relation to such index sooner than another index sponsor would have done in comparable circumstances. Such a termination may trigger the early redemption of the Certificate.
iv. Exane Derivatives as the Calculation Agent can determine the substitution of an Underlying in accordance with the Condition of the Securities and the Terms and Conditions.
v. the Calculation Agent may adjust the settlement, payment or any other terms of the Securities in accordance with the Condition of the Securities and the Terms and Conditions.
vi. the Calculation Agent may determine the Settlement Amount payable to the Holders of the Securities.

**Calculation Agent**
The Calculation Agent may have to make, pursuant the Base Prospectus, choices and judgments that may influence the amount receivable upon redemption of the Securities and has wide discretionary powers to make such adjustments as it considers appropriate as a result of or in connection with transactions on securities affecting the Underlying. As indicated in the risk factor “Potential Conflicts of Interest” above, the Calculation Agent may be the Issuer or Guarantor or one of their affiliates, and potential conflicts of interest may exist therefore between the Calculation Agent and the Holders.

All the determinations of the Calculation Agent shall (save in the case of manifest error) be final and binding on the Issuer, the Guarantor, the Financial Agent and on all the Holders. The Calculation Agent will as an independent expert and will act in good faith and in a commercially reasonable manner in exercising its functions. Because the Calculation Agent may be the Issuer, the Guarantor or an Affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and Holders of the Securities, including with respect to certain determinations and judgments that the Calculation Agent must make, including whether a Market Disruption Event, a Potential Adjustment Event or Credit Event (each, as defined in the Conditions of the Securities) has occurred. The Calculation Agent is obligated to carry out its duties and functions as Calculation Agent in good faith and using its reasonable judgment however, subject to always acting only within the parameters allowed by the terms and conditions of the Securities, it has no responsibility to take investors' interests into account.

**Foreign exchange risk**
In the same manner as purchasers of foreign currency securities, investors are exposed to the risk of exchange rate fluctuations. Foreign exchange risk can also be embedded in the Security leading to a currency exposure different from the currency of the Security. This risk is in addition to any performance risk that relates to the issuer or the type of securities being issued.

The value of the Securities may, in certain circumstances, be affected by factors such as fluctuations in exchange rates between any currency in which a payment must be made under the Securities and any currency in which an Underlying is traded. No assurance can be given that the exchange parities between such currencies as they apply on the issue date of the Securities will be similar to the exchange parities used to calculate the value of the Securities on any subsequent date.

Foreign-exchange risk involves the potential imposition or modification of foreign exchange controls by relevant governmental authorities. Such risks generally depend on economic and political events over which issuers have no control.

Governmental action may adversely affect yields or payments in the domestic currency of the investor, in respect of Securities denominated or payable in currencies other than the investor’s domestic currency. The Issuer will not make any adjustment to, or change the terms of, the Securities if exchange rates become fixed or in the event of monetary devaluation or revaluation or the imposition of foreign exchange controls or other regulatory controls or taxes or if other developments affect any currency whatsoever. The investor shall bear all such risks.

Governments have occasionally imposed, and may in future impose foreign exchange controls that may also affect the availability of a currency. Even in the absence of foreign exchange controls it is possible that the currency in which a security is denominated may not be available at the time when payments on such security are due and payable.

**Risks relating to Physical Settlement**
Where Physical Settlement is applicable, Holders must give certain notices and take such other steps as are specified in the Final Terms. Physical Settlement is subject to all applicable laws, regulations and practices and the Issuer shall not be liable under any circumstances if it is not able to deliver, or procure delivery, to the relevant Holder by reason of such laws, regulations and practices.

Each Holder must be advised that, if the Securities are redeemable by Physical Settlement (as specified in the applicable Final Terms), he shall be deemed to have acknowledged his understanding and acceptance of such mode of delivery and to have carried out such steps as are necessary and not to have relied on any statement of the Issuer or any of its Agents, or the relevant Dealer in relation thereto. In particular, the Issuer and each of its Agents shall not under any circumstances be responsible for verifying the capacity and power of any Holder to obtain settlement of its Securities by Physical Settlement and the Holder shall be fully liable for any consequences that may arise due to the Physical Settlement or, as the case may be, the non-delivery as a result of the Holder not having the required power and capacity to take delivery.

**Emerging market risk**
Securities traded in emerging or developing countries tend to be less liquid and the prices of such securities more volatile. In addition, settlement of trades in some such markets may be slower and more subject to failure than in markets in developed countries.
Increased custodian costs as well as administrative difficulties may also arise from the maintenance of assets in such emerging or developing countries.
Prospective purchasers of the Securities should also be aware that the probability of the occurrence of a Hedging Disruption Event (or other Adjustment Event under the relevant legal terms as set out further in the Conditions of the Securities) and consequently loss of investment or profit by an investor may be higher for certain developing or emerging markets. Prospective purchasers are expected to conduct their own enquiries and be satisfied that there are additional risks associated with investments linked to the performance of underlying assets located in these markets.

## Specific Risk Factors

**Risks relating to Underlying which is a Dynamic Portfolio**
Risks relating to the Portfolio Advisor:
The performance of actively managed portfolio linked Securities depends on the ability, services and overall competence of the Portfolio Advisor. Holders should be aware that the performance of the Securities will depend to a considerable extent on the ability of the Portfolio Advisor to provide the optimal modification recommendations throughout the life of the Securities as well as on the ability of the Issuer and of the Calculation Agent to implement the recommendations of the Portfolio Advisor.
Holders should make their own independent appraisal of the ability, services and overall competence of the Portfolio Advisor and should not rely on the Issuer or the Dealer in making this assessment. There can be no assurance that the Portfolio Advisor will be able to provide such services or indeed be able to avoid negative performance. Holders should understand that they could be materially adversely affected by any such factors.
Even though the Issuer and the Calculation Agent have designated the Portfolio Advisor in respect of the Securities, the Portfolio Advisor shall act in the exclusive interest of the Holders.

Neither the Issuer nor the Calculation Agent will interfere in the Portfolio Advisor decisions and therefore, Holders shall be aware that neither the Issuer nor the Calculation Agent will be responsible for any decision, Rebalancing or other, made by the Portfolio Advisor. Moreover, neither the Issuer nor the Calculation Agent will be in a position to protect the Holders against fraud, negligence or misrepresentation from the Portfolio Advisor.

Risk of conflict of interests between the Issuer, the Guarantor, the Calculation Agent and the Portfolio Advisor:
The Issuer, the Guarantor, the Calculation Agent or the Portfolio Advisor, may engage in trading and other business activities relating to the components of the portfolio without regards to the Securities and that are not for the Holders' accounts or on behalf of the Holders.
The above situations may result in consequences which may be adverse to Holders. The Issuer and the Guarantor assume no responsibility whatsoever for such consequences and their impact on Holders.

Exposure to the Dynamic Portfolio:
Holders should be aware that the composition of the Dynamic Portfolio may change after the implementation of a rebalancing decided discretionary by the Portfolio Advisor, after an adjustment decided by the Portfolio Calculation Agent in order to comply with the portfolio technical eligibility criteria or after an adjustment of the Dynamic Portfolio following an Event. In order to inform Holders of the composition of the Dynamic Portfolio, the changes granted by the Portfolio Advisor regarding the components of the Dynamic Portfolio will be disclosed and available on www.exaneindex.com.

**Section 871(m) of the U.S. Internal Revenue Code of 1986**
Section 871(m) of the Internal Revenue Code issued by the US Internal Revenue Service and Treasury Department (IRS) **(IRC Section 871(m)** generally impose a 30% withholding tax on dividend equivalents paid or deemed paid to a non-United States holder as defined pursuant to Section 871(m) Regulations (a Non-U.S. Holder), without regard to any applicable treaty rate, with respect to certain financial instruments linked to U.S. equities or indices that include U.S. equities (U.S. Underlying Equities). Specifically, and subject to the 2017 exemption set out in Notice 2016-76 (Notice), Section 871(m) Regulations will generally apply to Certificates the pricing date of which occurs from 1 January 2017 and that substantially replicate the economic performance of one or more U.S. Underlying Equity(ies) as determined by the Issuer on the date for such Certificates as of which the expected delta of the product is determined by the Issuer (such date being the "pricing date") based on tests in accordance with the applicable Section 871(m) Regulations or the purposes of the Notice, such Certificates are deemed "delta-one" instruments) (Specified Securities). Certificates linked to U.S. Underlying Equities which the Issuer has determined not to be a Specified Securities will not be subject to withholding tax under Section 871(m) Regulations. In withholding this tax, the Issuer (or the withholding agent) will withhold tax under the Section 871(m) Regulations and will regularly apply the general tax rate of 30% to the payments subject to U.S. provisions (or amounts deemed payments) without regard to any applicable treaty rate. Therefore, in such cases, an investor's individual tax situation will not be taken into account. The applicable Final Terms will specify if the Certificates are Specified Securities, and if so, any additional information shall be available at the Issuer's office. Investors are advised that the Issuer's determination is binding on all Non-U.S. Holders of the Certificates, but it is not binding on the United States Internal Revenue Service (IRS) and the IRS may therefore disagree with the Issuer's determination. The rules of Section 871(m) Regulations require complex calculations in respect of the instruments that include U.S. Underlying Equities and application of these rules to a specific issue of Certificates may be uncertain. Consequently the IRS may determine they are to be applied even if the Issuer initially assumed the rules would not apply. There is a risk in such case that Holders of Certificates are subject to withholding tax ex post. As neither the Issuer nor the withholding agent will be required to gross up any amounts withheld in connection with a Certificate, Holders of Certificates will receive smaller payments in such case than they would have received without withholding tax being imposed.

**DISCLAIMER**

This document is issued by Exane Derivatives SNC ("Exane Derivatives"). Exane Derivatives is a member of the Exane Group (Exane SA and all its direct and indirect subsidiaries) and is an entity authorized by the Autorité de Contrôle Prudentiel et de Résolution as investment firm, and regulated by the Autorité des Marchés Financiers and the Autorité de Contrôle Prudentiel et de Résolution. Exane Derivatives Paris, Geneva Branch, is an entity authorized as foreign securities dealer to the Swiss Financial Market Supervisory Authority (FINMA). The Milan Branch of Exane Derivatives is also authorized by the Autorité de Contrôle Prudentiel et de Résolution and by the Commissione Nazionale per le Società e la Borsa (Consob) to provide certain investment service in freedom of establishment. The London Branch of Exane Derivatives is authorized by the Autorité de Contrôle Prudentiel et de Résolution and by the Financial Conduct Authority to provide certain investment services.

These terms and conditions (the "Term Sheet") constitute a strictly confidential document and cannot be communicated to third parties, except to a potential investor, nor reproduced or copied, in whole or in part, without Exane Derivatives' prior authorisation. Any reproduction must be faithful to this document.

Those persons who come into possession of the present document are requested to comply with all the applicable rules and regulations relating to the possession or distribution of informational documents of this type.

Before subscribing to this security, you must check the suitability of this transaction with your objectives and independently analyse (with the help of your professional advisors if necessary) the financial risks and the legal, tax and accounting consequences related to this investment.

**Investor Responsibility**

By agreeing to purchase any Certificate, you will be deemed to confirm that, in relation to any investment in any Certificate:

**(a)**

(i) You are acting as principal for your own account and have made your own independent decision as to whether the subscription to the Certificates is suitable, appropriate and meet your financial needs, such analysis being based upon your own judgement and/or, if necessary, any advice received from an accounting, tax, legal or any other independent professional advisors

**OR**

(ii) You are acting as principal on behalf of your clients and if required by any applicable law, based upon your own diligences, you have made your own independent decision as to whether the subscription to the Certificate is suitable, appropriate and meet the financial needs of your clients or any person to whom you may transfer or on-sell the Notes.

**OR**

(iii) You are acting as intermediary for your own clients and agree that Exane Derivatives is not responsible for determining the appropriateness and the suitability of the Certificates for any of your own clients. If required by any applicable law, you will have verified that the subscription to the Certificate is suitable, appropriate for your own clients and meet their financial needs, such analysis being based upon your own diligences.

**(b)** you (or, when acting as agent or intermediary, your own clients)

(i) are capable of understanding and assessing the merits of any investment in the Certificates (either through your own merits or by having recourse to independent professional advisors), and

(ii) ) are capable of assuming the risks of any such investment, and

(iii) understand and accept the terms and conditions of such transactions.

**(c)** You acknowledge that you have not received any investment advice by Exane Derivatives, as defined by the directive on markets financials instruments (dated of 21 April 2004 or as modified from time to time)

**(d)** you acknowledge that it is your own responsibility to review the offering documentation governing the issue of the Certificates, including the relevant Base Prospectus.

**(e)** You shall only offer the Certificates in accordance with the appropriate selling restrictions.