

FINAL TERMS DATED 4 JUNE 2012

CREDIT AGRICOLE CIB FINANCE (GUERNSEY) LTD

(incorporated under the laws of Guernsey)

Programme for the Issuance of Warrants and Certificates
unconditionally and irrevocably guaranteed by Crédit Agricole Corporate and Investment Bank
(incorporated under the laws of France)

Series n° 707

**Issue of up to 800,000 Certificates Equity Protection Quanto EURO Linked to the Performance of the
EURO STOXX 50® Index due December 2017**

*These Certificates will be distributed in Italy. The Subscription Period will start on 4 June 2012 and will
end on 27 June 2012.*

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated on 16 May 2012 which constitutes a base prospectus for the purposes of the Directive 2003/71/EC as amended by Directive 2010/73/EC (the "**2010 PD Amending Directive**") (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Certificates described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus as so supplemented. Full information on Credit Agricole CIB Finance (Guernsey) Limited (the "**Issuer**") and Crédit Agricole Corporate and Investment Bank (the "**Guarantor**") and the offer of the Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus as so supplemented. The Base Prospectus is available for viewing on the Luxembourg Stock Exchange website (www.bourse.lu), at the registered office of Crédit Agricole Corporate and Investment Bank and copies may be obtained free of charge at the specified office of the Certificate Agents.

References herein to numbered Conditions are to the terms and conditions of the relevant series of Certificates and words and expressions defined in such terms and conditions shall bear the same meaning in this Final Terms in so far as it relates to such series of Certificates, save as where otherwise expressly provided.

The particulars to be specified in relation to this Series are as follows:

GENERAL PROVISIONS

1	Issuer:	Crédit Agricole CIB Finance (Guernsey) Limited
2	Guarantor:	Crédit Agricole Corporate and Investment Bank
3	Dealer:	Crédit Agricole Corporate and Investment Bank
4	Series number of the Certificates:	707
5	Tranche number of the Series	1
6	If Certificates to be consolidated with certificates of existing series:	No
7	Aggregate Number of Certificates in the Series:	Up to 800,000, depending on the outcome of the Offer. It is anticipated that the final Aggregate Number of Certificates to be issued on the Issue Date will be published on the website of the Guarantor on or around the Issue Date.

8	Aggregate Number of Certificates in the Tranche:	Up to 800,000, depending on the outcome of the Offer. It is anticipated that the final Aggregate Number of Certificates to be issued on the Issue Date will be published on the website of the Guarantor on or around the Issue Date.
9	Description of the Certificates:	Fixed Rate and Index Linked Redemption Certificates
10	Issue Date:	29 June 2012
11	Issue Price:	EUR 100 per Certificate
12	Nominal Amount:	EUR 100 notional amount per Certificate
13	Minimum Trading Lot:	1 Certificate
14	Date authorisation of Board for issuance of Certificates obtained;	Not Applicable

PROVISIONS RELATING TO INTEREST

15	Interest Payment Dates:	See paragraph 17(iii)
16	Interest Rate:	Not Applicable
17	Fixed Rate Provisions	Applicable
	(i) Interest Commencement Date:	29 June 2012
	(ii) Interest Rate(s) (including/excluding on overdue amounts after Redemption Date or date set for early redemption):	The premium is 4 per cent. (flat) payable in arrear. All references to "Interest" and "Interest Payment Date" shall be construed as references to "premium" and "premium payment date".
	(iii) Specified Interest Payment Date(s):	28 December 2012, subject to adjustment, for payment only, in accordance with the Modified Following Business Day Convention. For the purposes of the Certificates, Record Date means 27 December 2012 (or if any such date is not a Business Day, the following day which is a Business Day), on which date the Issuer determines the Certificateholders entitled to receive payments under the Certificates. The Record Dates may be modified as required by <i>Borsa Italiana S.p.A.</i> for the purpose of obtaining admission to listing of the Certificates, or later, as the case may be.
	(iv) Fixed Coupon Amount[(s)]:	To be determined by the Calculation Agent
	(v) Day Count Fraction:	Not Applicable Interest Amount will be unadjusted
	(vi) Determination Dates:	Not Applicable
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Certificates:	Not Applicable
18	Floating Rate Provisions	Not Applicable
19	Interest Linked to Indices, Shares, Commodities, Debt, Currency, Interest	Not Applicable

Rate/Other

20 Conditional Interest Not Applicable

PROVISIONS RELATING TO REDEMPTION

21 Method of Settlement: Cash Settled Certificates

22 Certificateholder entitled to elect for cash settlement or physical delivery: No

23 Redemption Date: 29 December 2017, subject to adjustment, for payment only, in accordance with the Modified Following Business Day Convention and subject to Condition 5(m) (Settlement Disruption)

24 Renouncement Notice Cut-off Time/
Data di Scadenza: The Renouncement Notice Cut-Off Time means 4.00 pm (Milan time) of the TARGET and New York Business Day following the *Data di Scadenza*.

The *Data di Scadenza* means 20 December 2017.

25 Averaging: Not Applicable

26 Cash Settled Certificates:

Where:

“Redemption Amount” has the meaning ascribed in Appendix 1;

“Settlement Currency” means Euro (“EUR”).

See Appendix 1 for further details.

27 Automatic Early Redemption: Not Applicable

ISSUER CALL OPTION IN RESPECT OF CERTIFICATES

28 Issuer Call Option: Not Applicable

HOLDER PUT OPTION IN RESPECT OF CERTIFICATES

29 Certificateholder Put Option: Not Applicable

30 Physical Delivery Certificates: Not Applicable

31 Issuer’s Option to Vary Settlement: Condition 5(n) (*Issuer’s Option to Vary Settlement*) is not applicable

32 FX Disruption: Condition 5(o) (*FX Disruption*) is not applicable

33 Restrictions: Condition 5(r) (*Restrictions*) is not applicable

34 Index Linked Certificates:

Where:

“**Index**” means EURO STOXX 50[®] Index as calculated and disseminated by the Index Sponsor (Bloomberg code: SX5E)

“**Index Sponsor**” or “**Sponsor**” means Stoxx Limited or any successor to such index sponsor which is acceptable in the opinion of the Calculation Agent ;

“**Final Valuation Date**” means 20 December 2017 ;

“**Initial Valuation Date**” means 29 June 2012.

See Appendix 1 and Appendix 2 for further details.

See Appendix 3 for further details on adjustments and correction of the level of the Index.

35	Share Linked Certificates:	Not Applicable
36	Dividends:	Condition 16(c) (<i>Dividends</i>) is not applicable.
37	Commodity Linked Certificates:	Not Applicable
38	Debt Linked Certificates:	Not Applicable
39	Currency Linked Certificates:	Not Applicable
40	Interest Rate Linked Certificate:	Applicable to Interest only See paragraph 17 above
41	Perpetual Certificates	Not Applicable
42	Leveraged Certificates	Not Applicable
43	Business Day relating to the payment of the Certificates:	TARGET and New York Business Day
44	Relevant Clearing System(s):	The Certificates will be centralised on Euroclear/Clearstream Luxembourg and cleared through the bridge accounts of Monte Titoli S.p.A.
45	Calculation Agent:	Crédit Agricole Corporate and Investment Bank
46	Related Exchange:	means EUREX or any successor to such exchange(s) or quotation system(s) or any substitute exchange or quotation system to which trading in certificates linked to the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the certificates linked to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange).
47	Other conditions relating to Currency Linked Certificates, Debt Linked Certificates, Interest Rate Linked Certificates, Fund Linked Certificates and other certificates linked to any other underlying asset:	For the purposes of the Certificates: (i) Condition 5(q)(i) (<i>General</i>) is amended as follows: "None of the Calculation Agent, the Issuer, the Guarantor, any Dealer or any Certificate Agent shall have any responsibility for any errors or omissions in the calculation of the Redemption Amount, Automatic Early Redemption Amount or of other amount whatsoever, except the cases of gross negligence and willful misconduct". (ii) The first paragraph of Condition 5(s) (<i>Italian Listed Certificates</i>) is modified as follows: "Notwithstanding anything to the contrary in the Conditions: (i) Italian Listed Certificates shall be deemed to be automatically exercised at the <i>Data di Scadenza</i> , (ii) for so long as the

Certificates are listed on *Borsa Italiana S.p.A.*, the Certificates shall be deemed to expire at the "*Data di Scadenza*" and (iii) references in the Conditions to "redemption" and "redeem" shall be construed as references to "termination" and "terminate".

(iii) For the purposes of (i) ascertaining the right to attend and vote at any meeting of Certificateholders and (ii) the determination of how many Certificates are outstanding for the purposes of Condition 9(a)(*Meetings of Certificateholders and Modifications*) and Schedule 21 (Provisions for meetings of Securitiesholders) to the Amended and Restarted Master Warrants and Certificates Agreement, those Certificates which are beneficially held by, or on behalf of, the Issuer, the Guarantor or any of their respective subsidiaries and not cancelled shall (unless and until ceasing to be so held) be deemed not to be outstanding provided, for the avoidance of doubt, that this shall not prejudice any rights of the Issuer or the Guarantor (through their respective representatives) and their respective legal and financial advisers in such Schedule 21 to attend and speak at any such meeting.

The Amended and Restarted Master Warrants and Certificates Agreement is available for viewing on the website of the Guarantor (<http://www.ca-cib.com/business-lines/global-equity-derivatives.htm>).

(iv) For so long as the Italian Listed Certificates are listed on the regulated market organized and managed by *Borsa Italiana S.p.A.* and the rules of *Borsa Italiana S.p.A.* as interpreted by it so require, for the purpose of the Italian Listed Certificates, the Issuer may make, without the Certificateholders' consent, any amendments to the provisions of the Final Terms, which are deemed to be necessary or appropriate in order to remove ambiguities or inaccuracies or correct formal mistakes, provided that such amendments are not detrimental to Certificateholders' interest. The Final Terms may also be amended by the Issuer, without the Certificateholders' consent, where so required by the applicable laws and regulations, including the regulations of *Borsa Italiana S.p.A.*. The Issuer will notify the Certificateholders of such amendments by means of a notice published on the website of the Guarantor and/or pursuant to any other modality provided for the securities listed on SeDeX.

48 Rule 144A eligible:

Not Applicable

49 Details of the applicable type of US Selling Restrictions:

The Certificates may not be legally or beneficially owned at any time by any U.S. Person (as defined in Regulation S) and accordingly are being offered and sold outside the United States to persons that are not U.S. Persons in

		reliance on Regulation S.
50	Details of the relevant US selling restrictions certification required for the Asset Transfer Notice:	Not Applicable
51	Details of any additional selling restrictions:	Not Applicable
52	Form of Certificates:	Permanent Global Certificate Bearer Certificates
53	ISIN:	GG00B8J49H87
54	Common Code:	78778709
55	CUSIP:	Not Applicable
56	Listing:	Applicable. See Part B
57	Principal Certificate Agent	CACEIS Bank Luxembourg 39 allée Scheffer L-250 Luxembourg
58	Swedish CSD	Not Applicable
59	Swedish Issuing Agent	Not Applicable
60	Norwegian CSD	Not Applicable
61	Norwegian Issuing Agent	Not Applicable
62	Finnish CSD	Not Applicable
63	Finnish Issuing Agent	Not Applicable
64	Italian CSD:	Not Applicable
65	Italian Issuing Agent	Not Applicable

PURPOSE OF FINAL TERMS

These Final Terms comprise the Final Terms required for issue and public offer in Italy and listing after the Issue Date of the Certificates described herein pursuant to the Programme for the Issuance of Warrants and Certificates of Crédit Agricole Corporate and Investment Bank and Crédit Agricole CIB Financial Products (Guernsey) Limited and Crédit Agricole CIB Finance (Guernsey) Limited and Crédit Agricole CIB Financial Solutions.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By

PART B - OTHER INFORMATION

1 Listing and admission to Trading

Application is expected to be made by the Issuer (or on its behalf) for the Certificates to be listed and admitted to trading on the electronic “Securitized Derivatives Market” (the “SeDeX”), organized and managed by *Borsa Italiana S.p.A.* with effect on or after the Issue Date.

2 Ratings

Not Applicable

3 Risk Factors

As described in the Base Prospectus

4 Notification

The *Commission de Surveillance du Secteur Financier*, which is the Luxembourg competent authority for the purpose of the Prospectus Directive, has provided the *Commissione Nazionale per le Società e la Borsa* in Italy with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.

5 Interests of Natural and Legal Persons Involved in the Offer

The Distributors are appointed by the Issuer and will receive placement fees from the Issuer depending on the outcome of the Offer. Placement activity generally implies a potential conflict of interests.

Investors shall be aware of the fact that the Distributors appointed for the placement of the Certificates under these Final Terms, **Cassa di Risparmio di Parma e Piacenza S.p.A., Cassa di Risparmio della Spezia S.p.A e Banca Popolare FriulAdria S.p.A.**, belong to the same Group as the Issuer, the Crédit Agricole Group. Since they act as Distributors of the Certificates, it could lead to a conflict of interests with the investors as such Distributors express the interest of the group. Furthermore, such Distributors will receive placement fees embedded in the Issue Price of the Certificates equal to a maximum amount of 5.00% of the Issue Price. All placement fees will be paid out upfront.

6 Reasons for the Offer, Estimated Net Proceeds and Total Expenses

Reasons for the offer For general corporate purposes of the Crédit Agricole Corporate and Investment Bank group

Estimated net proceeds: Issue Price x Aggregate Number of Certificates, less distribution commissions mentioned in Point 10 of Part B

Estimated total expenses: To be determined at the end of the offer period

7 Performance of Index/Formula/Other Variable, Explanation of Effect on Value of Investment Associated Risks and Other Information concerning the Underlying

The Certificates to be redeemed on 29 December 2017 offer, to the Certificateholders (the “Investors”) wishing to be exposed on the Index, a profits opportunity linked to the movements of the Index from the Initial Valuation Date.

On Redemption Date the Certificateholder will receive, at least, an amount equal to the Nominal Amount.

The Redemption Amount payable by the Issuer on the Redemption Date is described in Appendix 1.

The performance of the Certificates is linked to the level of the Index on predetermined Valuation Dates, but not to its fluctuations between these dates. Then, the levels of the Index on these Valuation Dates will significantly affect the performance of the Certificates.

During the life of the Certificates, Investors will receive one premium amount, on 28 December 2012

Upon the occurrence of extraordinary events affecting the Index, the Issuer may, if need be, early redeem the

Certificates at their fair market value (provisions on adjustment or, if need be, early redemption of the Certificates and their consequences are set out in the Base Prospectus, as amended in these Final Terms).

On early redemption for taxation or other reasons, the Certificates will be redeemed, according to the terms of the Base Prospectus, at their market value, which might be lower than the Issue Price.

The fair market value of the Certificates, during their lifetime, is not solely based on the Index level but, among other parameters, also on the Index volatility, interest rates, expected dividends, market liquidity and credit spread of the Issuer. The fair market value of the Certificates may be subject to significant fluctuations, be below the Nominal Amount and different (lower or higher) from the Redemption Amount.

Information on the Index (past and future performances) may be obtained, among others, on :

<http://www.stoxx.com>

Bloomberg Page : SX5E

Information on the Index volatility may be obtained upon request to :

Investment Solutions Sales

Global Equity & Fund Derivatives

Crédit Agricole Corporate and Investment Bank

9, quai du Président Paul Doumer

92920 Paris la Défense Cedex

France

8 Index Disclaimer

STOXX and its licensors (the “Licensors”) have no relationship to Crédit Agricole CIB, other than the licensing of the EURO STOXX 50[®] and the related trademarks for use in connection with the products.

STOXX and its Licensors do not:

- Sponsor, endorse, sell or promote the products.
- Recommend that any person invest in the products or any other securities.
- Have any responsibility or liability for or make any decisions about the timing, amount or pricing of products.
- Have any responsibility or liability for the administration, management or marketing of the products.
- Consider the needs of the products or the owners of the products in determining, composing or calculating the EURO STOXX 50[®] index or have any obligation to do so.

STOXX and its Licensors will not have any liability in connection with the products.
Specifically,

- STOXX and its Licensors do not make any warranty, express or implied and disclaim any and all warranty about:
- The results to be obtained by the products, the owner of the products or any other person in connection with the use of the EURO STOXX 50[®] index and the data included in the EURO STOXX 50[®] index;
- The accuracy or completeness of the EURO STOXX 50[®] index and its data;
- The merchantability and the fitness for a particular purpose or use of the EURO STOXX 50[®] index and its data;
- STOXX and its Licensors will have no liability for any errors, omissions or interruptions in the EURO STOXX 50[®] index or its data;
- Under no circumstances will STOXX or its Licensors be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if STOXX or its Licensors knows that they might occur.

The licensing agreement between the Crédit Agricole CIB and STOXX is solely for their benefit and not for the benefit of the owners of the products or any other third parties.

9 Other Information concerning the Certificates to be admitted to trading

Not Applicable

10 Terms and Conditions of the Public Offer

Offer Price:

Issue Price (of which a maximum amount of 5.00% is represented by distribution commissions payable upfront to the Distributors)

An offer (the **Offer**) of the Certificates may be made other than pursuant to Article 3(2) of the Prospectus Directive in Italy (the **Public Offer Jurisdiction**) during the period from (and including) 4 June 2012 to (and including) 16.30 (Milan time) on 27 June 2012 (the **Offer Period**) during the hours in which banks are generally open for business in Italy.

The Certificates may be offered only in accordance with applicable laws and regulations and, in particular, pursuant to Articles 9 and 11 of the CONSOB Regulation 14 May 1999, n. 11971, as amended (the **Regulation**), Articles 14, 17 and 18 of the Prospectus Directive and in accordance with these Final Terms.

Conditions to which the offer is subject:

The Offer of the Certificates is conditional on their issue.

The Issuer reserves the right, in its absolute discretion, to cancel the Offer and the issue of the Certificates at any time prior to the Issue Date

The Issuer shall publish a notice on the website of the Guarantor (<http://www.ca-cib.com/business-lines/global-equity-derivatives.htm>) in the event that the Offer is

cancelled and the Certificates are not issued pursuant to the above.

For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises its right to cancel the Offer, such potential investor shall not be entitled to receive any Certificates.

Description of the application process:

Investors may apply to subscribe for Certificates during the Offer Period.

The Offer Period may be shortened or extended at any time and for any reason. In such case, the Issuer, shall give notice as soon as practicable to the public before the end of the Offer Period by means of a notice published on the website of the Guarantor (<http://www.ca-cib.com/business-lines/global-equity-derivatives.htm>).

Applications for the Certificates can be made during the Offer Period through the Distributors. The applications can be made in accordance with the Distributors' usual procedures. Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer or the Dealer related to the subscription for the Certificates.

A prospective investor should contact a Distributor prior to the end of the Offer Period. A prospective investor will subscribe for Certificates in accordance with the arrangements agreed with the Distributors relating to the subscription of securities generally.

There is no pre-identified allotment criteria. The Distributors will adopt allotment criteria that ensure equal treatment of prospective investors. All of the Certificates requested through the Distributors during the Offer Period will be assigned except as otherwise specified herein.

Description of the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants:

Not Applicable

The Distributors, in agreement with the Issuer, reserves the right to accept any subscription requests for Certificates which would exceed the "up to" aggregate principal amount of the Certificates of 800,000 Certificates and the Issuer may increase the "up to" aggregate principal amount of the Certificates.

The Issuer shall publish a notice on the website of the Guarantor (<http://www.ca-cib.com/business-lines/global-equity-derivatives.htm>) in the event that the "up to" Aggregate Number of Certificates of 800,000 Certificates is exceeded and the "up to" Aggregate Number of Certificates is increased.

Details of the minimum and/or maximum amount of application:

There is no maximum amount of application.

Minimum amount of application is EUR 100.

<p>Details of the method and time limits for paying up and delivering the Certificates:</p>	<p>The Certificates will be available on a delivery versus payment basis.</p> <p>The Certificates offered to investors will be issued on the Issue Date against payment by the Distributors, via the Dealer, to the Issuer of the gross subscription moneys. Each such investor will be notified by the relevant Distributor of the settlement arrangements in respect of the Certificates at the time of such investor's application.</p> <p>The Issuer estimates that the Certificates will be delivered to the purchaser's respective book-entry securities account on or around the Issue Date.</p>
<p>Manner in and date in which results of the offer are to be made public:</p>	<p>Publication on the website of the Guarantor (http://www.ca-cib.com/business-lines/global-equity-derivatives.htm) on or around the Issue Date.</p>
<p>Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:</p>	<p>Not applicable</p>
<p>Categories of potential investors to which the securities are offered and whether tranche(s) have been reserved for certain countries:</p>	<p>The Offer may be made through Distributors to any person in Italy in compliance with all relevant selling restrictions, as described in the Base Prospectus.</p> <p>Qualified Investors (<i>investitori qualificati</i>, as defined in Article 100 of the Financial Services Act) may be assigned only those Certificates remaining after the allocation of all the Certificates requested by the public during the Offer Period</p> <p>Any investor not located in Italy should contact its financial adviser, bank or financial intermediary for more information and may only purchase Certificates from its financial adviser, bank or financial intermediary which are remaining after the allocation of all the Certificates subscribed by the public during the Offer Period.</p>
<p>Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:</p>	<p>Applicants will be notified directly by the Distributor of the success of their application.</p> <p>Dealing in the Certificates may commence on the Issue Date.</p>
<p>Amount of any expenses and taxes specifically charged to the subscriber or purchaser:</p>	<p>Responsibility for any tax implications of investing in these Certificates rests entirely with the subscriber or purchaser.</p> <p>As to the taxation regime applicable to the Certificates, see Appendix 1 for details.</p> <p>For the Offer Price which includes the fees payable upfront to the Distributors see above "Offer Price".</p>
<p>Name(s) and address(es), to the extent known to the Issuer, of the</p>	<p>Not Applicable</p>

placers in the various countries where the offer takes place

11 Placing and Underwriting

Name and address of the co-ordinator(s) of the global offer and of single parts of the offer: Not Applicable

Name and address of any paying agents and depository agents in each country (in addition to the Principal Paying Agent): Not Applicable

Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under “best efforts” arrangements: Crédit Agricole Corporate and Investment Bank is the *Responsabile del Collocamento* (the **Dealer**), in relation to the public offer in Italy since it has appointed the Distributors. For the avoidance of doubt, the Dealer will not act as distributor/placer and will not offer the Certificates in Italy.

The Certificates will be offered in Italy without any underwriting commitment and no undertakings have been made by third parties to guarantee the subscription of the Certificates.

The Certificates will be publicly offered in Italy through the following distributors (the “**Distributors**”):

Cassa Di Risparmio Di Parma E Piacenza S.p.A. at:
via Università, 1
43121 Parma,
Italy

Cassa di Risparmio della Spezia S.p.A. at:
Corso Cavour, 86
19121 La Spezia,
Italy

Banca Popolare Friuladria S.p.A. at:
piazza XX Settembre,2
33170 Pordenone,
Italy

When the underwriting agreement has been or will be reached: Not Applicable

PART C

[Form of Renouncement Notice (to be included for Italian Listed Certificates which are Italian Certificates)]

RENOUNCEMENT NOTICE
(to be completed by the Certificateholder)

CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
(a limited liability company incorporated in France as a “société anonyme”)

and

CRÉDIT AGRICOLE CIB FINANCIAL PRODUCTS (GUERNSEY) LIMITED
(a limited liability company incorporated in Guernsey)

and

CRÉDIT AGRICOLE CIB FINANCE (GUERNSEY) LIMITED
(a limited liability company incorporated in Guernsey)

[insert title of Certificates]

and

CRÉDIT AGRICOLE CIB FINANCIAL SOLUTIONS
(a limited liability company incorporated in France)

ISIN: [●]

(the “Certificates”)

To: [Italian Issuing Agent]

[address]

Fax No: [●]

c/c Principal Certificate Agent

[address]

Fax No: [●]

We/I the undersigned Certificateholder(s)

hereby communicate that we are renouncing the Automatic Exercise on the Exercise Date [scheduled to fall on [●]] of the rights granted by the Certificates in accordance with the Conditions.

Series No. of the Certificates:

Number of Certificates the subject of this notice:

The undersigned understands that if this Renunciation Notice is not completed and delivered as provided in the Conditions or is determined to be incomplete or not in proper form (in the determination of the Italian Issuing Agent), it will be treated as null and void.

If this Renunciation Notice is subsequently corrected to the satisfaction of the Italian Issuing Agent, it will be deemed to be a new Renunciation Notice submitted at the time such correction was delivered to the Italian Issuing Agent.

Expressions defined in the Conditions shall bear the same meanings in this Renunciation Notice.

Place and date:

Signature of the Certificateholder

Name of beneficial owner of the Certificates

Signature]

PART D

Form of Renouncement Notice *(to be included for Italian Listed Certificates which are not Italian Certificates)*

RENOUNCEMENT NOTICE

(to be completed by the beneficial owner of the Certificates)

CRÉDIT AGRICOLE CIB FINANCIAL PRODUCTS (GUERNSEY) LIMITED

(a limited liability company incorporated in Guernsey)

[insert title of Certificates]

ISIN: []

(the "**Certificates**")

To: [Financial Intermediary]

[address]

Fax No: []

(the "**Financial Intermediary**")

c/c Issuer

[address]

Fax No: []

c/c Principal Certificate Agent

[address]

Fax No: []

We/I the undersigned Certificateholder

hereby communicate that we are renouncing the automatic exercise of the rights granted by the Certificates in accordance with the Conditions.

Series No. of the Certificates:

Number of Certificates the subject of this notice:

The undersigned understands that if this Renouncement Notice is not completed and delivered as provided in the Conditions or is determined to be incomplete or not in proper form (in the determination of the Financial Intermediary), it will be treated as null and void.

If this Renunciation Notice is subsequently corrected to the satisfaction of the Financial Intermediary, it will be deemed to be a new Renunciation Notice submitted at the time such correction was delivered to the Financial Intermediary.

Expressions defined in the Conditions shall bear the same meanings in this Renunciation Notice.

Place and date:

Name of beneficial owner of the Certificates

Signature

APPENDIX 1
(This Appendix forms part of the Final Terms to which it is attached)

REDEMPTION AMOUNT

Each Certificate shall be deemed to be automatically exercised at the Data di Scadenza.

At any time prior to the Renouncement Notice Cut-off Time (as defined in paragraph 24 above), any Certificateholder may renounce automatic exercise of such Certificate and renounce its right to any payment of any Redemption Amount by giving a duly completed renouncement notice (a “**Renouncement Notice**”) in the form set out in Part C above to Euroclear, with a copy to the Issuer and the Principal Certificate Agent.

If no Renouncement Notice is received before the Renouncement Notice Cut-off Time, the Redemption Amount payable by the Issuer on the Redemption Date upon redemption of each Certificate will be an amount in EUR calculated by the Calculation Agent (and rounded to the nearest second decimal, with 0.005 and above being rounded upwards) in accordance with the following formula(s):

(a) If the Calculation Agent determines, on the Final Valuation Date, that $Index_{Final}$ is equal to or lower than $Index_{Initial}$,

100% x Nominal Amount

(b) If the Calculation Agent determines, on the Final Valuation Date, that $Index_{Final}$ strictly higher than or equal to $Index_{initial}$ and is strictly lower than 126% of $Index_{Initial}$

$[100\% + (Index_{Final} - Index_{Initial}) / Index_{Initial}] \times Nominal Amount$

(c) If the Calculation Agent determines, on the Final Valuation Date, that $Index_{Final}$ is equal to or higher than 126% of $Index_{Initial}$,

126% x Nominal Amount

APPENDIX 2

DEFINITIONS

"Disrupted Day" means any Scheduled Trading Day on which: (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred.

The Calculation Agent shall give notice as soon as practicable to the Certificateholders, in accordance with Condition 10, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been, as the case may be, a Knock-in Determination Day or a Valuation Date. Without limiting the obligation of the Calculation Agent to notify as set forth in the preceding sentence, failure by the Calculation Agent to notify of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

"Early Closure" means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

"Exchange" or **"Stock Exchange"** in respect of each security comprising the Index (as determined by the Index Sponsor from time to time) (each a **"Component Security"**), the principal stock exchange on which such security is principally traded, as determined by the Calculation Agent, any successor thereto or any substitute exchange or quotation system to which trading in the shares underlying the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the shares on such temporary substitute exchange or quotation system as on the original Exchange).

"Exchange Business Day" means any Scheduled Trading Day on which: (i) the Index Sponsor publishes the level of the Index; and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on the Related Exchange.

"Exercise Date" means the Data di Scadenza.

"Expenses" means all taxes, duties and/or stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties to be paid by the Issuer under the Certificates.

"Index_{Initial}" means the Index Level on the Initial Valuation Date.

"Index_{Final}" means the Index Level on the Final Valuation Date.

"Index Level" means the level of the Index at the Valuation Time.

"Market Disruption Event" means either:

(i) (a) the occurrence or existence, in respect of any Component Security, of:

(1) a Trading Disruption, in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;

(2) an Exchange Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or

(3) an Early Closure, in respect of such Component Security; and

(b) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; or

(ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (a) a Trading Disruption; (b) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange; or (c) an Early Closure, in each case in respect of such futures or option contracts.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component Security at any time, if a Market Disruption Event occurs in respect of such Component Security at that time, then the relevant percentage contribution of that Component Security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component Security to (y) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data".

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, subject as provided in "Valuation Time" below;

"Scheduled Trading Day" means any day on which: (i) the Index Sponsor is scheduled to publish the level of the Index; and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session.

"Trading Disruption" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on the Related Exchange;

"Valuation Date" means the Initial Valuation Date and the Final Valuation Date (or, if any such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day) (the **"Scheduled Valuation Date"**) unless in the opinion of the Calculation Agent such day is a Disrupted Day. If the Scheduled Valuation Date is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day.

In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine its good faith estimate of the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day);

"Valuation Time" means (i) for the purposes of determining whether a Market Disruption Event has occurred: (a) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (b) in respect of any options contracts or future contracts on the Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official Index Level is calculated and published by the Index Sponsor.

APPENDIX 3
(This Appendix forms part of the Final Terms to which it is attached)

1/ ADJUSTMENTS AND CORRECTION OF THE LEVEL OF THE INDEX

A- ADJUSTMENTS TO THE INDEX

(1) Successor Index / Sponsor

If a relevant Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent (the **Successor Sponsor**), or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then in each case that index (the **Successor Index**) will be deemed to be the Index.

(2) Modification and Cessation of Calculation of an Index

If (i) on or prior to the Final Valuation Date, the relevant Index Sponsor makes or announces that it will make a material change in the formula for or the method of calculating a relevant Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation, contracts or commodities and other routine events) (an **Index Modification**), or permanently cancels a relevant Index and no Successor Index exists (an **Index Cancellation**), or (ii) on a Valuation Date or a Knock-in Determination Day, the Index Sponsor or (if applicable) the Successor Index Sponsor fails to calculate and announce a relevant Index (an **Index Disruption** and, together with an Index Modification and an Index Cancellation, each an **Index Adjustment Event**), then,

- i. the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Certificates and, if so, shall calculate, in order to preserve as nearly as practicable the economic equivalent of the obligations of the Issuer under the Certificates, the relevant level of the Index or Knock-In Level, as the case may be, using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on that Valuation Date or Knock-in Determination Day, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities/commodities that comprised that Index immediately prior to that Index Adjustment Event. If between the date on which an Index Adjustment Event occurs and, as to item (i) above, the Final Valuation Date or, as to item (ii) above, the relevant Valuation Date or Knock-in Determination Day, a period longer than 8 (eight) Scheduled Trading Days lasts, where the Issuer will not redeem the Certificates in accordance with what provided for *sub* (ii) below, the values so calculated on a continuous basis by the Calculation Agent will be published on the Issuer's website and on [Bloomberg/Reuters]' website; or
- ii. by giving notice to the Certificateholders in accordance with Condition 10, the Issuer shall redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate taking into account the Index Adjustment Event, all as determined by the Calculation Agent in good faith and in a commercially reasonable manner. Payments will be made in such manner as shall be notified to the Certificateholders in accordance with Condition 10.

The “**EONIA rate**” means, in respect of any date, the rate for deposits in EUR which appears on the Reuters Page “EONIA” as of 11:00 a.m. (Brussels time) (or such other page as may replace that page on that commercial quotation service) fixing on such date, nevertheless, for the last two Business Days of the Capitalization Period, the “EONIA rate” will be equal to the EONIA rate observed on the third Business Day preceding the Redemption Date.

B- CORRECTION OF THE LEVEL OF THE INDEX

With the exception of any corrections published after the day which is three Exchange Business Days prior to the due date for any payment under the Certificates calculated by reference to the level of the Index, if the level of the Index published on a given day and used or to be used by the Calculation Agent to make any determination under the Certificates, is subsequently corrected and the correction published by the relevant Index Sponsor, the level to be used shall be the level of the Index as so corrected. Corrections published after the day which is three Exchange Business Days prior to a due date for payment under the Certificates calculated by reference to the level of the Index will be disregarded by the Calculation Agent for the purposes of determining the relevant amount to be paid.

C- NOTICE

The Calculation Agent shall, as soon as practicable thereafter, notify the Issuer and the relevant Certificate Agent of any determination made by it pursuant to this section, which shall make such determinations available to Certificateholders for inspection as soon as reasonably practicable after receipt of any written request to do so.

2/ ADDITIONAL DISRUPTION EVENTS

Notwithstanding the provisions contained in the Base Prospectus, **Additional Disruption Event** means any of Change in Law, Illegality, Hedging Disruption and Force Majeure.

With:

Change in Law means that, on or after the Issue Date, (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer or the Guarantor (if applicable) determines in its sole and absolute discretion that it has become illegal to hold, acquire or dispose of relevant hedge positions relating to the Index.

Illegality means that, on or after the Issue Date, the Issuer determines that its performance under the Certificates or the Guarantor's performance under the Guarantee has become illegal in whole or in part for any reason.

Hedging Disruption means that the Issuer, the Guarantor (if applicable) and/or any of their respective Affiliates is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity price risk or any other relevant price risk including but not limited to the currency risk of the Issuer or the Guarantor, (if applicable), issuing and performing its obligations with respect to the Certificates, or (ii) freely realise, recover, remit, receive, repatriate or transfer the proceeds of any such transaction(s) or asset(s).

Force Majeure means that, on or after the Issue Date, the Issuer determines that its performance under the Certificates or the Guarantor's performance under the Guarantee has become impracticable or impossible by reason of a Force Majeure Event occurring after the date on which the relevant transaction has been concluded (such date being excluded) .

Force Majeure Event means any event beyond the reasonable control of the Issuer and/or the Guarantor (as applicable), including, without limitation,

- (a) any act, law, rule, regulation, judgment, order, directive, decree or material legislative interference of any Government Authority or otherwise; or
- (b) the occurrence or declaration of war (civil or otherwise), disruption, military action, unrest political insurrection, terrorist activity of any kind, riot, protest and/or civil commotion; or
- (c) the occurrence of sabotage, fire, flood, explosion, earthquake, meteorological or geological catastrophe or other calamity or emergency; or
- (d) any financial, political or economic event(s) (including, without limitation, any change in national or international political, legal, tax or regulatory conditions) or any other causes or impediments beyond the control of the Issuer and/or (as applicable) the Guarantor, where such event

(i) prevents, restricts, delays or otherwise materially hinders the performance of the Issuer's obligations under the Certificates and/or (if applicable) the Guarantor's obligations under the Guarantee and/or (ii) to a material extent prevents or restricts settlement of transactions in the Certificates in the market or otherwise.

Government Authority means any nation, state or government, any province or other political subdivision thereof, any body, agency or ministry, any taxing, monetary, foreign exchange or other authority, court, tribunal or other instrumentality and any other entity exercising, executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) and (ii) below:

(i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any relevant term(s) of the Certificates to account for the Additional Disruption Event and preserve as nearly as practicable the economic equivalent of the obligations of the Issuer under the Certificates, and determine the effective date of that adjustment; or

(ii) by giving notice to the Certificateholders in accordance with Condition 10, the Issuer shall redeem all but not some only of the Certificates, each Certificate being redeemed by payment of an amount equal to the fair market value of a Certificate taking into account the Additional Disruption Event, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Certificateholders in accordance with Condition 10.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Certificateholders in accordance with Condition 10 stating the occurrence of the Additional Disruption Event giving details thereof and the action proposed to be taken in relation thereto.

3/ CALCULATION BINDING

The calculations and determinations of the Calculation Agent shall (save in the case of manifest error) be final and binding upon all parties. The Calculation Agent shall have no responsibility for good faith errors or omissions in the calculations and determinations of the Redemption Amount of any Certificate as provided herein.

APPENDIX 4
(This Appendix forms part of the Final Terms to which it is attached)

Taxation in the Republic of Italy

The following is a summary of current Italian law and practice relating to the taxation of the Certificates. The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Final Terms and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The Issuer will not update this summary to reflect changes in laws and if such a change occurs the information in this summary could become invalid.

The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Certificates and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

This summary does not describe the tax consequences for a Certificateholder in case Physical Delivery is provided and, in particular, in respect of Certificates that are redeemable in exchange for, or convertible into, shares, of the exercise, settlement or redemption of such Certificates and/or any tax consequences after the moment of exercise, settlement or redemption.

With regard to certain innovative or structured financial instruments there is currently neither case law nor comments of the Italian tax authorities as to the tax treatment of such financial instruments. Accordingly, it cannot be excluded that the Italian tax authorities and courts or Italian intermediaries may adopt a view different from that outlined below.

Prospective purchasers are advised to consult their own tax advisers concerning the overall tax consequences of their interest in the Certificates.

Capital gains

Pursuant to the generally followed interpretation of the Italian tax law where the Italian resident Certificateholder is (i) an individual not engaged in an entrepreneurial activity to which the Certificates are connected, (ii) a non-commercial partnership, pursuant to article 5 of of Presidential Decree No. 917 of 22 December 1986 (**TUIR**) (with the exception of general partnership, limited partnership and similar entities) (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, and the Certificates generate capital gains pursuant to article 67 TUIR, capital gains accrued on the sale or the exercise of the Certificates are subject to a 12.5 per cent. substitute tax (*imposta sostitutiva*). The recipient who is an Italian resident individual may opt for three different taxation criteria provided for by article 67 of TUIR and Legislative Decree No. 461 of 21 November 1997 (**Decree 461**), as subsequently amended:

1. Under the tax declaration regime (regime della dichiarazione), which is the default regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity to which the Certificates are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any offsettable capital loss, realised by the Italian resident individual holding the Certificates not in connection with an entrepreneurial activity pursuant to all sales or redemptions of the Certificates carried out during any given tax year. Italian resident individuals holding the Certificates not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.
2. As an alternative to the tax declaration regime, Italian resident individuals holding the Certificates not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale or redemption of the Certificates (the "*risparmio*

amministrato" regime provided for by Article 6 of the Decree 461). Such separate taxation of capital gains is allowed subject to (i) the Certificates being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (ii) an express election for the *risparmio amministrato* regime being timely made in writing by the relevant Certificateholder. The depository is responsible for accounting the *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of the Certificates (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Certificateholder or using funds provided by the Certificateholder for this purpose. Under the *risparmio amministrato* regime, where a sale or redemption of the Certificates results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same relationship of deposit, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Certificateholder is not required to declare the capital gains in the annual tax return.

3. Any capital gains realised or accrued by Italian resident individuals holding the Certificates not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Certificates, to an authorised intermediary and have opted for the so-called "*risparmio gestito*" regime (regime provided for by Article 7 of the Decree 461). will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 12.5 per cent. substitute tax, to be paid by the managing authorised intermediary. Under this *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Certificateholder is not required to declare the capital gains realised in the annual tax return.

Where an Italian resident Certificateholder is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Certificates are effectively connected, capital gains arising from the Certificates will not be subject to *imposta sostitutiva*, but must be included in the relevant Certificateholder's income tax return and are therefore subject to Italian corporate tax (IRES) and, in certain circumstances, depending on the "status" of the Certificateholder, also as a part of the net value of production for IRAP purposes.

Capital gains realised until 30 June 2011 by a Certificateholder which is an open-ended or closed-ended investment fund (subject to the tax regime provide by Law No. 77 of 23 March 1983) (Fund) or a SICAV will be included in the result of the relevant portfolio accrued in the period 1 January 2011 – 30 June 2011, to be subject to the 12.50 per cent. ad hoc substitute tax. Starting from 1 July 2011, capital gains realised by a Certificateholder which is a Fund or a SICAV will not be subject neither to substitute tax nor to any other income tax in the hands of the Fund or the SICAV.

Capital gains realised by a Certificateholder which is an Italian pension fund (subject to the regime provided by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. ad hoc substitute tax.

Capital gains realised by non-Italian resident Certificateholders without a permanent establishment in Italy are not subject to Italian taxation, if the Certificates are held outside Italy or the capital gains derive from transactions executed in regulated markets.

Atypical securities

In accordance with a different interpretation of current tax law it is possible that the Certificates would be considered as 'atypical' securities pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 as implemented by Law No. 649 of 25 November 1983. In this event, payments relating to Certificates may be subject to an Italian withholding tax, levied at the rate of 27 per cent.

The 27 per cent. withholding tax mentioned above does not apply to payments made to a non- Italian resident Certificateholder or to an Italian resident Certificateholder which is (i) a company or similar

commercial entity (including the Italian permanent establishment of foreign entities); (ii) a commercial partnership; or (iii) a commercial private or public institution.

This withholding is levied by the Italian intermediary appointed by the Issuer, intervening in the collection of relevant income or in the negotiation or repurchasing of the Certificates.

Payments made by a non-resident Guarantor

With respect to payments made to Italian resident Certificateholders by a non-Italian resident guarantor, in accordance with one interpretation of Italian tax law, any such payment made by the Italian non-resident guarantor could be treated, in certain circumstances, as a payment made by the relevant Issuer and would thus be subject to the tax regime described in the previous paragraphs of this section.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, (Decree No. 262), converted into Law No. 286 of 24 November 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

- (i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding EUR 1,000,000 per beneficiary;
- (ii) transfers in favour of relatives to the fourth degree and relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding EUR 100,000 per beneficiary; and
- (iii) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, inheritance and gift tax applies on the value exceeding Eur 1,500,000.

Transfer Tax

Article 37 of Law Decree No 248 of 31 December 2007 ("Decree No. 248"), converted into Law No. 31 of 28 February 2008, published on the Italian Official Gazette No. 51 of 29 February 2008, has abolished the Italian transfer tax, provided for by Royal Decree No. 3278 of 30 December 1923, as amended and supplemented by the Legislative Decree No. 435 of 21 November 1997.

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarized deeds are subject to fixed registration tax at rate of EUR 168; and (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "EU Savings Directive"), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding System in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

Implementation in Italy of the EU Savings Directive

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April 2005 (“**Decree No. 84**”). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.