



**U.S. Commercial Paper
Offering Memorandum**

March 2024

**BANQUE ET CAISSE D'EPARGNE DE L'ETAT,
LUXEMBOURG**

\$3,000,000,000

Short-Term Notes

DEALER
WELLS FARGO SECURITIES

RATINGS¹

	<u>Commercial Paper</u>
Standard & Poor's Ratings Services	A-1+
Moody's Investors Service, Inc.	P-1

SUMMARY OF TERMS

ISSUER:

Banque et Caisse d'Epargne de l'Etat, Luxembourg, a public autonomous establishment having legal personality (*Etablissement public autonome doté de la personnalité juridique et régi par la loi du 24 mars 1989*), organized under the laws of the Grand Duchy of Luxembourg, having its registered office at 1, place de Metz, L-1930 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B30775 ("BCEE" or the "Issuer").

¹ Ratings are not a recommendation to purchase, hold or sell Notes. The above ratings are based upon information furnished to the rating agencies by the Issuer and information obtained by the rating agencies from other sources. The ratings are accurate only as of the date hereof, and may be changed, superseded or withdrawn at any time. Prospective purchasers should check the current ratings before purchasing any Notes.

- SECURITIES:** Up to \$3,000,000,000 of unsecured notes (the “Notes”).
- EXEMPTION:** The Notes are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)(3) thereof.
- MATURITIES:** Up to 270 days from the date of issue. The Notes shall not contain any provisions for extension, renewal or automatic rollover. The Notes are not redeemable or subject to voluntary prepayment by the Issuer prior to maturity.
- DENOMINATIONS:** The Notes will be issued in minimum denominations of \$100,000 with integral increments of \$1,000 in excess thereof.
- OFFERING PRICE:** The Notes will be sold at par less a discount representing an interest factor or, if interest bearing, at par.
- FORM OF ISSUANCE:** The Notes will be issued and purchases thereof will be recorded only through the book-entry system of The Depository Trust Company (“DTC”). Beneficial owners will not receive certificates representing their ownership interest in the Notes. The face amount of each Note will be paid upon maturity in immediately available funds to DTC. The Issuer has been advised by DTC that upon receipt of such payment, DTC will credit, on its book-entry records and transfer system, the accounts of the DTC participants through whom Notes are directly or indirectly owned. Payments by DTC to its participants and by such participants to owners of the Notes or their representatives will be governed by customary practices and standing instructions and will be the sole responsibility of DTC, such DTC participants or such representatives, respectively.
- SETTLEMENT:** Unless otherwise agreed, settlement will be made on a same- day basis in immediately available funds.
- USE OF PROCEEDS:** The proceeds of the Notes will be used to meet working capital requirements.
- ISSUING & PAYING AGENT:** Citibank, N.A.
- AGREEMENT AND ACKNOWLEDGEMENT WITH RESPECT TO THE** Notwithstanding any other term of the Notes or any other agreements, arrangements, or understandings between the Issuer and any noteholder, by its acquisition of the Notes, each noteholder (which, for

**EXERCISE OF
THE BAIL-IN POWER:**

the purposes of this clause, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents and agrees to be bound by:

- a. the effect of the exercise of the Bail-In Power by the relevant resolution authority, that may include and result in any of the following, or some combination thereof:
 - i. the reduction of all, or a portion, of the Amounts Due;
 - ii. the conversion of all, or a portion, of the Amounts Due on the Notes into participation certificates (*certificats participatifs*) of the Issuer or shares, other securities or other obligations of another person (and the issue to or conferral on the noteholder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes, in which case the noteholder agrees to accept in lieu of its rights under the Notes any such participation certificates (*certificats participatifs*) of the Issuer or shares, other securities or other obligations of another person;
 - iii. the cancellation of the Notes;
 - iv. the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period;
- b. the variation of the terms of the Notes, if necessary, to give effect to the exercise of the Bail-In Power by the relevant resolution authority.

For these purposes, the “**Amounts Due**” are the outstanding amount of the Notes which shall not exceed \$3,000,000,000 at any time together with any accrued but

unpaid interest, due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Bail-In Power by the relevant resolution authority.

For these purposes, the “**Bail-In Power**” is any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules, circulars or requirements in effect in Luxembourg, relating to (i) the transposition of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms as amended from time to time, including but not limited to the Luxembourg law of 5 April 1993 on the financial sector as amended from time to time and the Luxembourg law of 18 December 2015 on the default of credit institutions and certain investment firms as amended from time to time, (ii) Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Resolution Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010 (as amended or superseded from time to time) and (iii) the instruments, rules and standards created thereunder, pursuant to which:

- a. any obligation of a regulated entity (or an affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period); and
- b. any right in a contract governing an obligation of a regulated entity (or an affiliate of such regulated entity) may be deemed to have been exercised.

A reference to a “**regulated entity**” is to any entity falling under the applicable legislation, as amended from time to time, which includes, certain credit institutions, investment firms, and certain of their parent or holding companies.

The applicable regulator may require the Issuer to provide evidence of its agreement and acknowledgement with respect to the exercise of the Bail-In Power .

By purchasing the Notes, each noteholder (including each beneficial owner) shall be deemed to have authorized, directed and requested DTC and any direct participant in DTC or other intermediary through which it holds such Notes to take any and all necessary action, if required, to implement the exercise of the Bail-In Power with respect to the Notes as it may be imposed, without any further action or direction on the part of such noteholder. In addition, the exercise of any Bail-In Power may require interests in the Notes and/or other actions implementing any Bail-In Power to be held or taken, as the case may be, through clearing systems, intermediaries or persons other than DTC.

By purchasing the Notes, each noteholder (including each beneficial owner), to the extent permitted by law, waives any and all claims against the Issuing and Paying Agent for, agrees not to initiate a suit against the Issuing and Paying Agent in respect of, and agrees that the Issuing and Paying Agent shall not be liable for, any action that the Issuing and Paying Agent takes, or abstains from taking, in either case in accordance with the exercise of the Bail-In Power by the relevant resolution authority with respect to the Notes.

**NOTICE TO
NOTEHOLDERS:**

Upon the exercise of the Bail-In Power by the relevant resolution authority with respect to the Notes, the Issuer will provide a written notice to the noteholders through DTC as soon as practicable regarding such exercise of the Bail-In Power. The Issuer will also deliver a copy of such notice to the Issuing and Paying Agent for information purposes. For the avoidance of doubt, the absence of such notice will not affect the validity and enforceability of the Bail-In Power.

**PAYMENT OF INTEREST
AND OTHER
OUTSTANDING
AMOUNTS:**

No repayment or payment of Amounts Due on the Notes, will become due and payable or be paid after the exercise of any Bail-In Power by the relevant resolution authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

EVENT OF DEFAULT:

Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into participation certificates (*certificats participatifs*) of

the Issuer or another security or obligation of another person (and the issue to or conferral on the noteholder of such securities or obligations), as a result of the exercise of the Bail-In Power by the relevant resolution authority with respect to the Issuer, nor the exercise of the Bail-In Power by the relevant resolution authority with respect to the Notes will be an event of default.

**INDEMNIFICATION OF
THE ISSUING AND
PAYING AGENT:**

The Issuer's obligation to indemnify the Issuing and Paying Agent in connection with the Commercial Paper Issuing and Paying Agency Agreement between the Issuer and the Paying Agent shall survive the exercise of the Bail-In Power by the relevant resolution authority.

PRORATION

If the relevant resolution authority exercises the Bail-In Power with respect to less than the total Amounts Due, unless the Issuing and Paying Agent is otherwise instructed by the Issuer or the relevant resolution authority, any cancellation, write-off or conversion made in respect of the Notes pursuant to the Bail-In Power will be made on a pro-rata basis.

GOVERNING LAW:

The Notes will be governed and construed in accordance with the laws of the State of New York.

DESCRIPTION OF BANQUE ET CAISSE D'EPARGNE DE L'ETAT, LUXEMBOURG

Description of the Issuer

The Issuer is a public autonomous establishment having a legal personality (*établissement public autonome doté de la personnalité juridique*) created for an indefinite period pursuant to the Luxembourg act dated 21 February 1856 concerning, inter alia, the creation of a savings bank, as amended and presently governed by the Luxembourg act dated 24 March 1989 relating to Banque et Caisse d'Epargne de l'Etat, Luxembourg, as amended (the “**BCEE Law**”). The Issuer is registered with the Luxembourg Register of Commerce and Companies under number B30775. Its registered office is at 1, place de Metz, L-1930 Luxembourg.

The history of Banque et Caisse d'Epargne de l'Etat, Luxembourg (“BCEE”) is inextricably linked to that of the Grand Duchy of Luxembourg (“Luxembourg”). Created in 1856 to meet the people’s needs in the areas of savings and the development of credit, BCEE has made a major contribution to the economic expansion and improved standard of living of Luxembourg.

Today, BCEE is the only major financial establishment in Luxembourg whose equity capital is entirely and directly owned by the State. Ultimate responsibility for the institution lies with the Government Minister who heads the Treasury. The competent minister exercises supreme supervision over BCEE’s activities of public interest, in particular those specified in Article 5 of the Law dated 24 March 1989, in accordance with the following provisions:

- (a) by having all decisions taken by the Board communicated directly to him; and
- (b) by deciding on those decisions which are subject to his approval. Furthermore, a post of Supervisory Commissioner is established, whose procedure for appointment and powers are laid down in Article 28 of the above-mentioned BCEE Law.

As far as the Issuer is aware there are no arrangements which may result in a change of control of BCEE. In addition, BCEE promotes economic growth by providing financing for business development and public infrastructure.

Over the past decades, BCEE has developed mainly in a European and international context. As a “universal bank”, covering the whole range of banking activities, it plays an active part in the Euromarkets. It has developed a network of correspondent banks worldwide.

BCEE is also a member of the “Institut Mondial des Caisses d'Epargne” (World Savings Bank Institute) and the “Groupement Européen des Caisses d'Epargne” (European Savings Bank Group), whose offices are in Brussels.

In the field of international clearing, BCEE is a member of the two international systems for clearing negotiable securities, Clearstream, Luxembourg and the Euroclear clearing system. Since the establishment of the latter, BCEE has played a very active role as a depositary bank.

BCEE offers its national and international clients a full range of banking services through a network of nearly 75 branches.

Banking Licence

The Issuer is an autonomous public institution authorised to exercise its activity as a credit institution in application of article 2 of the Luxembourg law of 5 April 1993 on the financial sector, as amended. This authorisation was granted by the Luxembourg Minister of Finance. Via the single supervisory mechanism, the Issuer is under the supervision of the European Central Bank, which is responsible for the direct banking supervision of systemically important banks.

Business Activities

Within the limits set by, or by virtue of the laws and regulations applicable to credit institutions, BCEE's object is to carry out, alone or jointly, either on behalf of itself or for third parties, all financial or banking activities with any person, whether physical or legal, as well as all analogous, related or ancillary transactions.

In addition, BCEE may also carry out any other transactions directly or indirectly relating to its object or favouring the attainment of its object, subject to the observance of the laws and regulations applicable thereto.

Article 5 of the BCEE Law further states that as a State Bank, BCEE has the mission of (i) contributing by its activities, in particular its financing activities, to the economic and social development of the country in all fields, and (ii) promoting savings in all its forms. Being a universal bank, BCEE offers both its national and international clients the banking services which they are entitled to expect today from a financial intermediary.

It has been the traditional objective of BCEE to promote the construction of housing and to facilitate the acquisition of real estate. In the context of its mission of promoting savings in all possible forms, BCEE offers numerous savings instruments, including private banking facilities such as foreign currency accounts, precious metal and custody accounts. BCEE is also active in the sector of investment funds and offers its services both as a custodian bank for funds and as a promoter and manager.

BCEE's activities are focused on the retail market, the wealth management market, as well as the property market, and on small and medium-sized corporate customers in Luxembourg and the surrounding regions. These activities include the traditional banking business areas of loans, deposits, investment in securities, payments handling (both in Luxembourg and abroad) and guarantees.

AVAILABLE INFORMATION

The Issuer will make available to prospective purchasers of the Notes copies of its most recent annual report to shareholders and any other materials that the Issuer makes generally available to its security holders, by posting such report or other materials on its website (www.spuerkeess.lu/en/about-us/publications/). This Offering Memorandum incorporates by reference any such annual report and other materials made available by the Issuer. The information incorporated by reference is an important part of this Offering Memorandum, and the information contained in any such annual report or other materials will automatically update and supersede any corresponding information contained or incorporated by reference in this Offering Memorandum. The Master Note attached as Exhibit A to this Offering Memorandum, including all the terms and conditions therein, is hereby made part of this Offering Memorandum.

To ask any questions about the Issuer or the Notes, or to request additional information, please contact Banque et Caisse d'Epargne de l'Etat, Luxembourg, Attn: Service Financial Markets-Money Market Desk, 16, rue Zithe, L-2954 Luxembourg, Grand-Duchy of Luxembourg; Tel: (352) 4015-1; email: mm.fim@spuerkeess.lu.

IN MAKING AN INVESTMENT DECISION, PROSPECTIVE PURCHASERS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE NOTES ARE NOT OFFERED TO THE PUBLIC IN OR FROM LUXEMBOURG AND EACH DEALER HAS REPRESENTED AND AGREED THAT IT WILL NOT OFFER THE NOTES OR CAUSE THE OFFERING OF THE NOTES OR CONTRIBUTE TO THE OFFERING OF THE NOTES TO THE PUBLIC IN OR FROM LUXEMBOURG, UNLESS ALL THE RELEVANT LEGAL AND REGULATORY REQUIREMENTS CONCERNING A PUBLIC OFFER IN OR FROM LUXEMBOURG HAVE BEEN COMPLIED WITH. IN PARTICULAR, THIS OFFER HAS NOT BEEN AND MAY NOT BE ANNOUNCED TO THE PUBLIC AND OFFERING MATERIAL MAY NOT BE MADE AVAILABLE TO THE PUBLIC.

THE DEALER

Wells Fargo Securities, LLC ("WFS") and its affiliates may perform various investment banking, commercial banking and financial advisory services from time to time for the Issuer and its affiliates. An affiliate of WFS may be a lender to the Issuer. Prospective purchasers of the Notes are advised that WFS has no obligation to disclose any non-public information concerning the Issuer and its affiliates that may be furnished to WFS and its affiliates in connection with performing such services.

If you require any other information or have any questions, please contact the Dealer at:

Wells Fargo Securities, LLC
550 South Tryon Street, D1086-051, 5th Floor

Charlotte, NC 28202
Attn: Commercial Paper Origination
Email: WFCPOriginat@wellsfargo.com
Phone: (704) 410-3686
Fax: (704) 410-0315

The information under the caption "The Dealer" is particular to WFS. All other information contained in this memorandum has been furnished and approved by the Issuer.

THE PLACEMENT AGENT DOES NOT WARRANT THE COMPLETENESS OR ACCURACY OF THE INFORMATION HEREIN AND DOES NOT UNDERTAKE TO UPDATE SUCH INFORMATION.



PRIVATE PLACEMENT MEMORANDUM APPROVAL

March 2024



Wells Fargo Securities, LLC
Commercial Paper Origination
550 South Tryon Street
Charlotte, North Carolina 28202

BANQUE ET CAISSE D'EPARGNE DE L'ETAT, LUXEMBOURG (the "Issuer")
Private Placement Memorandum
Dated March 2024

Ladies and Gentlemen:

Reference is hereby made to the Commercial Paper Dealer Agreement (the "Agreement") between the Issuer and Wells Fargo Securities, LLC ("WFS") providing for the offer and sale by WFS of the Issuer's U.S. commercial paper (the "Notes"). Pursuant to the Agreement, the Issuer has prepared the Private Placement Memorandum, a copy of which is attached hereto. The Issuer hereby approves the Private Placement Memorandum and authorizes WFS to use the Private Placement Memorandum in making offers and sales of the Notes.

Sincerely,

Approved:	BANQUE ET CAISSE D'EPARGNE DE L'ETAT, LUXEMBOURG	
By:		
Name:	Claude ORIGER	Antoine WEBER
Title:	Senior Vice President & Head of Department Global Markets	Vice President & Head of Business Unit Financial Markets
Date:	15 th March 2024	

The Depository Trust Company

A subsidiary of The Depository Trust & Clearing Corporation

CORPORATE COMMERCIAL PAPER - MASTER NOTE

(Date of Issuance)

Banque et Caisse d'Epargne de l'Etat, Luxembourg, a public autonomous establishment having legal personality (*Etablissement public autonome doté de la personnalité juridique et régi par la loi du 24 mars 1989*) organized under the laws of the Grand Duchy of Luxembourg, having its registered office at 1, place de Metz, L-1930 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B30775 ("Issuer"), for value received, hereby promises to pay to Cede & Co., as nominee of The Depository Trust Company, or to registered assigns: (i) the principal amount, together with unpaid accrued interest thereon, if any, on the maturity date of each obligation identified on the records of Issuer (the "Underlying Records") as being evidenced by this Master Note, which Underlying Records are maintained by Citibank N.A. ("Paying Agent"); (ii) interest on the principal amount of each such obligation that is payable in instalments, if any, on the due date of each instalment, as specified on the Underlying Records; and (iii) the principal amount of each such obligation that is payable in instalments, if any, on the due date of each instalment, as specified on the Underlying Records. Interest shall be calculated at the rate and according to the calculation convention specified on the Underlying Records. Payments shall be made by wire transfer to the registered owner from Paying Agent without the necessity of presentation and surrender of this Master Note.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS MASTER NOTE SET FORTH ON THE REVERSE HEREOF AND IN ANNEXES I AND II HERETO WHICH ARE HEREBY INCORPORATED TO THIS MASTER NOTE AND MADE FULLY A PART HEREOF.

This Master Note is a valid and binding obligation of Issuer.

Not Valid Unless Countersigned for Authentication by Paying Agent.

(Paying Agent)

(Issuer)

By: _____
(Authorized Countersignature)

By: _____
(Authorized Signature)

(Reverse Side of Note)

At the request of the registered owner, the Issuer shall promptly issue and deliver one or more separate note certificates evidencing each obligation evidenced by this Master Note. As of the date any such note certificate or certificates are issued, the obligations which are evidenced thereby shall no longer be evidenced by this Master Note.

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

(Name, Address, and Taxpayer Identification Number of Assignee)

the Master Note and all rights thereunder, hereby irrevocably constituting and appointing _____, attorney to transfer said Master Note on the books of Issuer with full power of substitution in the premises.

Dated: _____

(Signature)

Signature(s) Guaranteed:

Notice: The signature on this assignment must correspond with the name as written upon the face of this Master Note, in every particular, without alteration or enlargement or any change whatsoever.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

BAIL-IN POWER

1. Agreement and acknowledgement with respect to the exercise of the Bail-In Power. Notwithstanding any other term of the Commercial Paper Notes (“Notes”) or any other agreements, arrangements, or understandings between the Issuer and any noteholder, by its acquisition of the Notes, each noteholder (which, for the purposes of this clause, includes each holder of a beneficial interest in the Notes) acknowledges, accepts, consents and agrees to be bound by:

- a. the effect of the exercise of the Bail-In Power by the relevant resolution authority, that may include and result in any of the following, or some combination thereof:
 - i. the reduction of all, or a portion, of the Amounts Due;
 - ii. the conversion of all, or a portion, of the Amounts Due on the Notes into participation certificates (*certificats participatifs*) of the Issuer or shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the noteholder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes, in which case the noteholder agrees to accept in lieu of its rights under the Notes any such participation certificates (*certificats participatifs*) of the Issuer or shares, other securities or other obligations of another person;
 - iii. the cancellation of the Notes;
 - iv. the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which the interest becomes payable, including by suspending payment for a temporary period;
- b. the variation of the terms of the Notes, if necessary, to give effect to the exercise of the Bail-In Power by the relevant resolution authority.

For these purposes, the “**Amounts Due**” are the outstanding amount of the U.S. Commercial Paper Program which shall not exceed U.S.\$3,000,000,000 at any time together with any accrued but unpaid interest, due on the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Bail-In Power by the relevant resolution authority.

2. Bail-in definition. For these purposes, the “**Bail-In Power**” is any write-down, conversion, transfer, modification, or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations, rules, circulars or requirements in effect in Luxembourg, relating to (i) the transposition of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms as amended from time to time, including but not limited to the Luxembourg law of 5 April 1993 on the financial sector as amended from time to time and the Luxembourg law of 18 December 2015 on the default of credit institutions and certain

investment firms as amended from time to time, (ii) Regulation (EU) No. 806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of the Single Resolution Mechanism and the Single Resolution Fund and amending Regulation (EU) No. 1093/2010 (as amended or superseded from time to time) and (iii) the instruments, rules and standards created thereunder, pursuant to which:

- a. any obligation of a regulated entity (or an affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period); and
- b. any right in a contract governing an obligation of a regulated entity (or an affiliate of such regulated entity) may be deemed to have been exercised.

A reference to a “**regulated entity**” is to any entity falling under the applicable legislation, as amended from time to time, which includes, certain credit institutions, investment firms, and certain of their parent or holding companies.

The applicable regulator may require the Issuer to provide evidence of its agreement and acknowledgement with respect to the exercise of the Bail-In Power .

3. Notice to noteholders. Upon the exercise of the Bail-In Power by the relevant resolution authority with respect to the Notes, the Issuer or its agent will provide a written notice to the noteholders through DTC as soon as practicable regarding such exercise of the Bail-In Power . The Issuer will also deliver a copy of such notice to the issuing and paying agent for information purposes. For the avoidance of doubt, the absence of such notice will not affect the validity and enforceability of the Bail-In Power.

4. Payment of interest and other outstanding amounts. No repayment or payment of Amounts Due on the Notes, will become due and payable or be paid after the exercise of any Bail-In Power by the relevant resolution authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

5. Event of default. Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into participation certificates (*certificats participatifs*) of the Issuer or another security or obligation of another person (and the issue to or conferral on the noteholder of such securities or obligations), as a result of the exercise of the Bail-In Power by the relevant resolution authority with respect to the Issuer, nor the exercise of the Bail-In Power by the relevant resolution authority with respect to the Notes will be an event of default.

6. DTC authorization. By purchasing the Notes, each noteholder (including each beneficial owner) shall be deemed to have authorized, directed and requested DTC and any direct participant in DTC or other intermediary through which it holds such Notes to take any and all necessary action, if required, to implement the exercise of the Bail-In Power with respect to the Notes as it may be imposed, without any further action or direction on the part of such noteholder. In addition, the exercise of any Bail-In Power may require interests in the Notes and/or other actions implementing any Bail-In Power to be held or taken, as the case may be, through clearing systems, intermediaries or persons other than DTC.

7. Issuing and Paying Agent. By purchasing the Notes, each noteholder (including each beneficial owner), to the extent permitted by law, waives any and all claims against the issuing and paying agent (the “**Issuing and Paying Agent**”) for, agrees not to initiate a suit against the Issuing and Paying Agent in respect of, and agrees that the Issuing and Paying Agent shall not be liable for, any action that the Issuing and Paying Agent takes, or abstains from taking, in either case in accordance with the exercise of the Bail-In Power by the relevant resolution authority with respect to the Notes.

The Issuer’s obligations to indemnify the Issuing and Paying Agent in connection with the Commercial Paper Issuing and Paying Agent Agreement between the Issuer and the Issuing and Paying Agent shall survive the exercise of the Bail-In Power by the relevant resolution authority with respect to any Notes.

If the relevant resolution authority exercises the Bail-In Power with respect to less than the total Amounts Due, unless the Issuing and Paying Agent is otherwise instructed by the Issuer or the relevant resolution authority, any cancellation, write-off or conversion made in respect of the Notes pursuant to the Bail-In Power will be made on a pro-rata basis.

Statement of Terms for Interest - Bearing Commercial Paper Notes of Banque et Caisse d'Epargne de l'Etat, Luxembourg

THE PROVISIONS SET FORTH BELOW ARE QUALIFIED TO THE EXTENT APPLICABLE BY THE TRANSACTION SPECIFIC PRICING SUPPLEMENT (THE "SUPPLEMENT") (IF ANY) SENT TO EACH PURCHASER AT THE TIME OF THE TRANSACTION.

1. General. (a) The obligations of the Issuer to which these terms apply (each a "Note") are represented by one or more Master Notes (each, a "Master Note") issued in the name of (or of a nominee for) The Depository Trust Company ("DTC"), which Master Note includes the terms and provisions for the Issuer's Interest-Bearing Commercial Paper Notes that are set forth in this Statement of Terms, since this Statement of Terms constitutes an integral part of the Underlying Records as defined and referred to in the Master Note.

(b) "Business Day" means any day other than a Saturday or Sunday that is neither a legal holiday nor a day on which banking institutions are authorized or required by law, executive order or regulation to be closed in New York City.

2. Interest. (a) Each Note will bear interest at a fixed rate (a "Fixed Rate Note") or at a floating rate (a "Floating Rate Note").

(b) The Supplement sent to each holder of such Note will describe the following terms: (i) whether such Note is a Fixed Rate Note or a Floating Rate Note and whether such Note is an Original Issue Discount Note (as defined below); (ii) the date on which such Note will be issued (the "Issue Date"); (iii) the Stated Maturity Date (as defined below); (iv) if such Note is a Fixed Rate Note, the rate per annum at which such Note will bear interest, if any, and the Interest Payment Dates; (v) if such Note is a Floating Rate Note, the Base Rate, the Index Maturity, the Interest Reset Dates, the Interest Payment Dates and the Spread and/or Spread Multiplier, if any (all as defined below), and any other terms relating to the particular method of calculating the interest rate for such Note; and (vi) any other terms applicable specifically to such Note. "Original Issue Discount Note" means a Note which has a stated redemption price at the Stated Maturity Date that exceeds its issue Price by more than a specified de minimis amount and which the Supplement indicates will be an "Original Issue Discount Note".

(c) Each Fixed Rate Note will bear interest from its Issue Date at the rate per annum specified in the Supplement until the principal amount thereof is paid or made available for payment. Interest on each Fixed Rate Note will be payable on the dates specified in the Supplement (each an "Interest Payment Date" for a Fixed Rate Note) and on the Maturity Date (as defined below). Interest on Fixed Rate Notes will be computed on the basis of a 360-day year of twelve 30-day months.

If any Interest Payment Date or the Maturity Date of a Fixed Rate Note falls on a day that is not a Business Day, the required payment of principal, premium, if any, and/or interest will be payable on the next succeeding Business Day, and

no additional interest will accrue in respect of the payment made on that next succeeding Business Day.

(d) The interest rate on each Floating Rate Note for each Interest Reset Period (as defined below) will be determined by reference to an interest rate basis (a “Base Rate”) plus or minus a number of basis points (one basis point equals one-hundredth of a percentage point) (the “Spread”), if any, and/or multiplied by a certain percentage (the “Spread Multiplier”), if any, until the principal thereof is paid or made available for payment. The Supplement will designate which of the following Base Rates is applicable to the related Floating Rate Note: (a) the Commercial Paper Rate (a “Commercial Paper Rate Note”), (b) the Federal Funds Rate (a “Federal Funds Rate Note”), (c) Compounded SOFR (a “SOFR Note”), (d) the Prime Rate (a “Prime Rate Note”), (e) the Treasury Rate (a “Treasury Rate Note”) or (f) such other Base Rate as may be specified in such Supplement.

The rate of interest on each Floating Rate Note will be reset daily, weekly, monthly, quarterly or semi-annually (the “Interest Reset Period”). The date or dates on which interest will be reset (each an “Interest Reset Date”) will be, unless otherwise specified in the Supplement, in the case of Floating Rate Notes which reset daily, each Business Day, in the case of Floating Rate Notes (other than Treasury Rate Notes) that reset weekly, the Wednesday of each week; in the case of Treasury Rate Notes that reset weekly, the Tuesday of each week; in the case of Floating Rate Notes that reset monthly, the third Wednesday of each month; in the case of Floating Rate Notes that reset quarterly, the third Wednesday of March, June, September and December; and in the case of Floating Rate Notes that reset semi annually, the third Wednesday of the two months specified in the Supplement. If any Interest Reset Date for any Floating Rate Note is not a Business Day, such Interest Reset Date will be postponed to the next day that is a Business Day, except that in the case of a SOFR Note, if such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the immediately preceding Business Day. Interest on each Floating Rate Note will be payable monthly, quarterly or semi annually (the “Interest Payment Period”) and on the Maturity Date. Unless otherwise specified in the Supplement, and except as provided below, the date or dates on which interest will be payable (each an “Interest Payment Date” for a Floating Rate Note) will be, in the case of Floating Rate Notes with a monthly Interest Payment Period, on the third Wednesday of each month; in the case of Floating Rate Notes with a quarterly Interest Payment Period, on the third Wednesday of March, June, September and December; and in the case of Floating Rate Notes with a semi annual Interest Payment Period, on the third Wednesday of the two months specified in the Supplement. In addition, the Maturity Date will also be an Interest Payment Date.

If any Interest Payment Date for any Floating Rate Note (other than an Interest Payment Date occurring on the Maturity Date) would otherwise be a day that is not a Business Day, such Interest Payment Date shall be postponed to the next day that is a Business Day, except that in the case of a SOFR Note, if such Business Day is in the next succeeding calendar month, such Interest Payment Date shall be the immediately preceding Business Day. If the Maturity Date of a Floating Rate Note falls on a day that is not a Business Day, the payment of principal and interest will

be made on the next succeeding Business Day, and no interest on such payment shall accrue for the period from and after such maturity.

Interest payments on each Interest Payment Date for Floating Rate Notes will include accrued interest from and including the Issue Date or from and including the last date in respect of which interest has been paid, as the case may be, to, but excluding, such Interest Payment Date. On the Maturity Date, the interest payable on a Floating Rate Note will include interest accrued to, but excluding, the Maturity Date. Accrued interest will be calculated by multiplying the principal amount of a Floating Rate Note by an accrued interest factor. This accrued interest factor will be computed by adding the interest factors calculated for each day in the period for which accrued interest is being calculated. The interest factor (expressed as a decimal) for each such day will be computed by dividing the interest rate applicable to such day by 360, in the cases where the Base Rate is the Commercial Paper Rate, Federal Funds Rate, Compounded SOFR or Prime Rate, or by the actual number of days in the year, in the case where the Base Rate is the Treasury Rate. The interest rate in effect on each day will be (i) if such day is an Interest Reset Date, the interest rate with respect to the Interest Determination Date (as defined below) pertaining to such Interest Reset Date, or (ii) if such day is not an Interest Reset Date, the interest rate with respect to the Interest Determination Date pertaining to the next preceding Interest Reset Date, subject in either case to any adjustment by a Spread and/or a Spread Multiplier.

The “Interest Determination Date” where the Base Rate is the Commercial Paper Rate will be the second Business Day next preceding an Interest Reset Date. The Interest Determination Date where the Base Rate is the Federal Funds Rate or the Prime Rate will be the Business Day next preceding an Interest Reset Date. The Interest Determination Date where the Base Rate is Compounded SOFR will be the fifth U.S. Government Securities Business Days (as defined below) next preceding an Interest Reset Date. The Interest Determination Date where the Base Rate is the Treasury Rate will be the day of the week in which such Interest Reset Date falls when Treasury Bills are normally auctioned. Treasury Bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is held on the following Tuesday or the preceding Friday. If an auction is so held on the preceding Friday, such Friday will be the Interest Determination Date pertaining to the Interest Reset Date occurring in the next succeeding week.

The “Index Maturity” is the period to maturity of the instrument or obligation from which the applicable Base Rate is calculated.

The “Calculation Date,” where applicable, shall be the earlier of (i) the tenth calendar day following the applicable Interest Determination Date or (ii) the Business Day preceding the applicable Interest Payment Date or Maturity Date.

All times referred to herein reflect New York City time, unless otherwise specified.

The Issuer shall specify in writing to the Issuing and Paying Agent which party will be the calculation agent (the “Calculation Agent”) with respect to the Floating Rate Notes. The Calculation Agent will provide the interest rate then in effect and, if determined, the interest rate which will become effective on the next Interest Reset Date with respect to such Floating Rate Note to the Issuing and Paying Agent as

soon as the interest rate with respect to such Floating Rate Note has been determined and as soon as practicable after any change in such interest rate.

All determinations and calculations made by the Calculation Agent shall be conclusive and binding on the holders absent manifest error. The Calculation Agent and the Issuer respectively shall not be responsible to the holders or any third party for failure of the dealers or brokers, as defined below, to provide quotations as requested of them or as a result of the Calculation Agent having acted on any quotation or other information given by any dealer or broker, as defined below, which subsequently may be found to be incorrect or inaccurate in any way.

All percentages resulting from any calculation on Floating Rate Notes will be rounded to the nearest one hundred-thousandth of a percentage point, with five-one millionths of a percentage point rounded upwards. For example, 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655). All dollar amounts used in or resulting from any calculation on Floating Rate Notes will be rounded, in the case of U.S. dollars, to the nearest cent or, in the case of a foreign currency, to the nearest unit (with one-half cent or unit being rounded upwards).

Commercial Paper Rate Notes

“Commercial Paper Rate” means the Money Market Yield (calculated as described below) of the rate on any Interest Determination Date for commercial paper having the Index Maturity, as published in H. 15 Daily Update under the heading “Commercial Paper-Nonfinancial”.

If by 3:00 p.m. on the Calculation Date such rate is not published in H.15 Daily Update, then the Calculation Agent will determine the Commercial Paper Rate to be the Money Market Yield of the arithmetic mean of the offered rates as of 11:00 a.m. on such Interest Determination Date of three leading dealers of U.S. dollar commercial paper in New York City selected by the Calculation Agent for commercial paper of the Index Maturity placed for an industrial issuer whose bond rating is “AA,” or the equivalent, from a nationally recognized statistical rating organization.

If the dealers selected by the Calculation Agent are not quoting as mentioned above, the Commercial Paper Rate with respect to such Interest Determination Date will remain the Commercial Paper Rate then in effect on such Interest Determination Date.

“Money Market Yield” will be a yield calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where “D” refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal and “M” refers to the actual number of days in the interest period for which interest is being calculated.

Federal Funds Rate Notes

“Federal Funds Rate” means the rate on any Interest Determination Date for federal funds as published in H.15 Daily Update under the heading “Federal Funds/(Effective)”.

If such rate is not published as described above by 3:00 p.m. on the Calculation Date, the Calculation Agent will determine the Federal Funds Rate to be the arithmetic mean of the rates for the last transaction in overnight U.S. dollar federal funds arranged by each of three leading brokers of Federal Funds transactions in New York City selected by the Calculation Agent prior to 9:00 a.m. on such Calculation Date. If the brokers selected by the Calculation Agent are not quoting as mentioned above, the Federal Funds Rate will remain the Federal Funds Rate then in effect on such Interest Determination Date.

SOFR Notes

With respect to SOFR Notes, the rate of interest for each Interest Payment Period will be equal to Compounded SOFR plus a spread, calculated as described herein; provided, that the rate of interest will in no event be less than 0.00%. For the avoidance of doubt, if Compounded SOFR is specified as the Base Rate on the face of a Note, the rate of interest for any Interest Payment Period will not be adjusted for any modifications or amendments to SOFR data that the New York Federal Reserve (as defined below) may publish after the rate of interest for such Interest Payment Period has been determined.

“**Compounded SOFR,**” means, with respect to any Interest Payment Period, a daily compounded rate of return computed in accordance with the formula set forth below (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (e.g., 9.876541% (or .09876541) being rounded down to 9.87654% (or .0987654) and 9.876545% (or .09876545) being rounded up to 9.87655% (or .0987655))):

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

- “**d0**” for any Observation Period, is the number of “**U.S. Government Securities Business Days,**” which refers to any day other than a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities, in the relevant Observation Period;
- “**i**” is a series of whole numbers from one to d0, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant Observation Period;

- “**SOFRI**,” for any U.S. Government Securities Business Day “i” in the relevant Observation Period, is equal to SOFR in respect of that day “i”;
- “**ni**,” for any U.S. Government Securities Business Day “i” in the relevant Observation Period, is the number of calendar days from, and including, such U.S. Government Securities Business Day “i” to, but excluding, the following U.S. Government Securities Business Day (“i+1”); and
- “**d**” is the number of calendar days in the relevant Observation Period.

For these calculations, the daily SOFR in effect on any U.S. Government Securities Business Day will be the applicable SOFR as reset on that date.

For purposes of determining Compounded SOFR, “**SOFR**” means, with respect to any U.S. Government Securities Business Day:

- (1) the Secured Overnight Financing Rate published by the New York Federal Reserve as such rate appears on the New York Federal Reserve’s Website at 3:00 P.M., New York City time, on the immediately following U.S. Government Securities Business Day (the “**SOFR Determination Time**”); provided that:
- (2) if the rate specified in (1) above does not so appear, unless both a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the New York Federal Reserve’s Website.

“**Secured Overnight Financing Rate**” means the daily secured overnight financing rate as provided by the New York Federal Reserve on the New York Federal Reserve’s Website.

The following procedure will be followed if Compounded SOFR cannot be determined as described above:

If the Issuer or its designee determine on or prior to the relevant Reference Time (as defined below) that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the SOFR Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time.

Any determination, decision or election that may be made by the Issuer or its designee, including a determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

- (1) will be conclusive and binding absent manifest error;
- (2) will be made in the Issuer's or its designee's sole discretion; and
- (3) notwithstanding anything to the contrary in the documentation relating to the SOFR Notes, shall become effective without consent from the holders of the SOFR Notes or any other party.

“Benchmark” means, initially, Compounded SOFR, as such term is defined above; provided that if the Issuer or its designee determine on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then **“Benchmark”** means the applicable Benchmark Replacement.

“Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark; and (b) the Benchmark Replacement Adjustment;
- (2) the sum of: (a) the ISDA Fallback Rate; and (b) the Benchmark Replacement Adjustment; or
- (3) the sum of: (a) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time; and (b) the Benchmark Replacement Adjustment.

“Benchmark Replacement Adjustment” means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the

replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time.

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of the Interest Payment Period, timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer or its designee decide may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decide that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determine that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determine is reasonably necessary).

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

For the avoidance of doubt, for purposes of the definitions of Benchmark Replacement Date and Benchmark Transition Event, references to Benchmark also include any reference rate underlying such Benchmark.

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (1) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component);

- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

“**ISDA**” means the International Swaps and Derivatives Association, Inc.

“**ISDA Definitions**” means the 2006 ISDA Definitions published by ISDA or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

“**ISDA Fallback Adjustment**” means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark.

“**ISDA Fallback Rate**” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

“**New York Federal Reserve**” means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate).

“**New York Federal Reserve’s Website**” means the website of the New York Federal Reserve, currently at <http://www.newyorkfed.org>, or any successor source.

“**Observation Period**” means the period from and including five U.S. Government Securities Business Days preceding an Interest Payment Date to but excluding five U.S. Government Securities Business Days preceding the next Interest Payment Date, provided that the first Observation Period shall be from and including five U.S. Government Securities Business Days preceding the date the SOFR Note is issued to but excluding five U.S. Government Securities Business Days preceding the first Interest Payment Date.

“**Reference Time**” with respect to any determination of the Benchmark means (1) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (2)

if the Benchmark is not Compounded SOFR, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes.

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

“Unadjusted Benchmark Replacement” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

Prime Rate Notes

“Prime Rate” means the rate on any Interest Determination Date as published in H. 15 Daily Update opposite the caption “Bank Prime Loan”.

If the rate is not published prior to 3:00 p.m. on the Calculation Date in H. 15 Daily Update, then the Calculation Agent will determine the Prime Rate to be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen US PRIME 1 Page (as defined below) as such bank’s prime rate or base lending rate as of 11:00 a.m., on that Interest Determination Date.

If fewer than four such rates referred to above are so published by 3:00 p.m. on the Calculation Date, the Calculation Agent will determine the Prime Rate to be the arithmetic mean of the prime rates or base lending rates quoted on the basis of the actual number of days in the year divided by 360 as of the close of business on such Interest Determination Date by three major banks in New York City selected by the Calculation Agent.

If the banks selected are not quoting us mentioned above, the Prime Rate will remain the Prime Rate in effect on such Interest Determination Date.

“Reuters Screen US PRIME1 Page” means the display designated as page “US PRIME 1” on the Reuters Monitor Money Rates Service (or such other page as may replace the US PRIME1 page on that service for the purpose of displaying prime rates or base lending rates of major United States banks).

Treasury Rate Notes

“Treasury Rate” means:

(1) the rate from the auction held on the Interest Determination Date (the “Auction”) of direct obligations of the United States (“Treasury Bills”) having the Index Maturity specified in the Supplement under the caption “INVESTMENT RATE” on the display on Moneyline Telerate. (or any successor service) on page 56 (or any other page as may replace that page on that service) or page 57 (or any other page as may replace that page on that service), or

(2) if the rate referred to in clause (1) is not so published by 3:00 p.m. on the related Calculation Date, the Bond Equivalent Yield (as defined below) of the rate for the applicable Treasury Bills as published in H.15 Daily Update, under the caption “U.S. Government Securities/Treasury Bills/Auction High”, or

(3) if the rate referred to in clause (2) is not so published by 3:00 p.m. on the related Calculation Date, the Bond Equivalent Yield of the auction rate of the applicable Treasury Bills as announced by the United States Department of the Treasury, or

(4) if the rate referred to in clause (3) not so published by 3:00 p.m. on the related Calculation Date, the rate on the particular Interest Determination Date of the applicable Treasury Bills as published in H.15 Daily Update, under the caption “U.S. Government Securities/Treasury Bills/Secondary Market”, or

(5) if the rate referred to in clause (4) is not so published by 3:00 p.m. on the related Calculation Date, the rate on the particular Interest Determination Date calculated by the Calculation Agent as the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 p.m. on that Interest Determination Date, of three primary United States government securities dealers selected by the Calculation Agent, for the issue of Treasury Bills with a remaining maturity closest to the Index Maturity specified in the Supplement, or

(6) if the dealers so selected by the Calculation Agent are not quoting as mentioned in clause (5), the Treasury Rate in effect on the particular Interest Determination Date.

“Bond Equivalent Yield” means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

where “D” refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis and expressed as a decimal, “N” refers to 270, as the case may be, and “M” refers to the actual number of days in the applicable Interest Reset Period.

3. Final Maturity. The Stated Maturity Date for any Note will be the date so specified in the Supplement, which shall be no later than 270 days from the date of issuance (exclusive of days of grace). On its Stated Maturity Date, or any date prior to the Stated Maturity Date on which the particular Note becomes due and payable by the declaration of acceleration, each such date being referred to as a Maturity Date, the principal amount of each Note, together with accrued and unpaid interest thereon, will be immediately due and payable.

4. Events of Default. Subject to paragraph 5 of Annex I hereof, the occurrence of any of the following shall constitute an “Event of Default” with respect to a Note: (i) default in any payment of principal of or interest on such Note (including on a redemption thereof); (ii) the Issuer makes any compromise arrangement with its creditors generally including the entering into any form of moratorium with its

creditors generally; (iii) a court having jurisdiction shall enter a decree or order for relief in respect of the Issuer in an involuntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or there shall be appointed a receiver, administrator, liquidator, custodian, trustee or sequestrator (or similar officer) with respect to the whole or substantially the whole of the assets of the Issuer and any such decree, order or appointment is not removed, discharged or withdrawn within 60 days thereafter; or (iv) the Issuer shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment of or taking possession by a receiver, administrator, liquidator, assignee, custodian, trustee or sequestrator (or similar official), with respect to the whole or substantially the whole of the assets of the Issuer or make any general assignment for the benefit of creditors. Upon the occurrence of an Event of Default, the principal of each obligation evidenced by such Note (together with interest accrued and unpaid thereon) shall become, without any notice or demand, immediately due and payable.

5. Obligation Absolute. No provision of the Issuing and Paying Agency Agreement under which the Notes are issued shall alter or impair the obligation of the Issuer, which is absolute and unconditional, to pay the principal of and interest on each Note at the times, place and rate, and in the coin or currency, herein prescribed.

6. Supplement. Any term contained in the Supplement shall supersede any conflicting term contained herein.