

DESCRIPTION OF THE BNP PARIBAS GENERIC DRUGS TOTAL RETURN INDEX (USD)

The BNP Paribas Generic Drugs Total Return Index (USD) **Error! Bookmark not defined.**(the "**Index**") is an equally-weighted US Dollar-denominated index.

The Index is designed to provide exposure to the shares of twelve companies which derive their revenues from activities linked to the generic drugs industry. The Index includes the top 12 ranked shares identified on the basis of the selection criteria described below and will be rebalanced on a semi-annual basis.

The Index is calculated and published on a daily basis by BNP Paribas Arbitrage S.N.C., which has its principal office at 160-162 boulevard MacDonald, 75019 Paris, France and is authorised and regulated by the *Autorité de Contrôle Prudentiel et de Résolution* (the "ACPR") (the "**Index Calculation Agent**"). The Index is maintained and sponsored by BNP Paribas, which has its principal office at 16 boulevard des Italiens, 75009 Paris, France and authorised and regulated by the European Central Bank and the ACPR (the "**Index Sponsor**").

The start date of the Index will be Tuesday 7 July 2015 (the "**Index Start Date**"). The level of the Index on and from the Index Start Date will be published by the Index Calculation Agent on Bloomberg Screenpage BNPIAGUT Index and Reuters RIC .BNPIAGUT, or any successor pages thereto, on <https://indices-globalmarkets.bnpparibas.com>, and on any other data provider as the Index Sponsor deems appropriate.

The Index is a "**Total Return**" index. As a consequence, the level of the Index reflects a value assuming reinvestment of all dividends and distributions declared by the underlying companies.

The Index is part of the Thematic Equity Indices family of BNP Paribas indices (further information on which may be found at <https://indices-globalmarkets.bnpparibas.com>).

Selection Criteria

The universe comprises shares of companies that (i) are part of the pharmaceuticals or biotechnology sector; and (ii) derive their revenue from either the sale or the manufacture of prescription or over-the-counter drugs; and (iii) have a significant generic drugs related business, as determined in a reasonable manner by the Index Sponsor. The shares included in the universe shall be admitted to trading on a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC. On the Index Start Date, the shares are considered are listed in Australia, Canada, European Union member states, Hong Kong, Iceland, Japan, New Zealand, Norway, Singapore, South Korea, Switzerland, Taiwan, Thailand and the United States of America.

From this universe, the Index Sponsor identifies those companies satisfying the following criteria:

- A 3 month average daily trading volume greater than the equivalent of 1 million USD; and
- A market capitalisation above the equivalent of 500 million USD.



BNP PARIBAS
CORPORATE & INSTITUTIONAL BANKING

The companies satisfying the criteria are ranked according to their market capitalisation on a semi-annual basis, with the 12 highest ranked companies being included in the Index as "**Index Components**" on an equally-weighted basis during the 10-day rebalancing period.



Composition of the Index

On the Index Start Date, the Index will be comprised of the Index Components set out in the table below:

n	Name	ISIN	Bloomberg	Currency	Exchange
1	Abbott Laboratories	US0028241000	ABT UN Equity	USD	New York Stock Exchange
2	Allergan plc	IE00BY9D5467	AGN UN Equity	USD	New York Stock Exchange
3	Dr Reddy's Laboratories Ltd	US2561352038	RDY UN Equity	USD	New York Stock Exchange
4	Hospira Inc	US4410601003	HSP UN Equity	USD	New York Stock Exchange
5	Mylan NV	NL0011031208	MYL UW Equity	USD	NASDAQ/OMX
6	Novartis AG	CH0012005267	NOVN VX Equity	CHF	SIX Swiss Exchange
7	Perrigo Co PLC	IE00BGH1M568	PRGO UN Equity	USD	New York Stock Exchange
8	Sanofi	FR0000120578	SAN FP Equity	EUR	Euronext Paris
9	Taro Pharmaceutical Industries Ltd	IL0010827181	TARO UN Equity	USD	New York Stock Exchange
10	Teva Pharmaceutical Industries Ltd	US8816242098	TEVA UN Equity	USD	New York Stock Exchange
11	Endo International PLC	IE00BJ3V9050	ENDP UW Equity	USD	NASDAQ/OMX
12	Mallinckrodt PLC	IE00BBGT3753	MNK UN Equity	USD	New York Stock Exchange

Following the Index Start Date, the composition of the Index may be adjusted from time to time by the Index Sponsor in accordance with the rules governing the Index, which will be available at <https://indices-globalmarkets.bnpparibas.com/nr/AGUT.pdf> starting from the Index Start Date. Additional information in relation to the Index, including information on (a) the past performance of the Index (b) the method of calculation of the Index, and (c) any adjustments to the composition of the Index (specifically the location and deadline for the announcement of a change) is available at <https://indices-globalmarkets.bnpparibas.com>.



Disclaimer

"The methodology of and rules governing the index (the "Index Methodology" and the "Index") are proprietary. None of the sponsor of the Index (the "Index Sponsor"), the index calculation agent (where such party is not also the Index Sponsor, the "Index Calculation Agent") nor, where applicable, the index Investment Advisor (the "Index Investment Advisor") guarantee that there will be no errors or omissions in computing or disseminating the Index.

The Index Methodology is based on certain assumptions, certain pricing models and calculation methods adopted by the Index Sponsor, the Index Calculation Agent and, where applicable, the Index Investment Advisor, and may have certain inherent limitations. Information prepared on the basis of different models, calculation methods or assumptions may yield different results. You have no authority to use or reproduce the Index Methodology in any way, and neither BNP Paribas nor any of its affiliates shall be liable for any loss whatsoever, whether arising directly or indirectly from the use of the Index or Index Methodology or otherwise in connection therewith.

The Index Sponsor reserves the right to amend or adjust the Index Methodology from time to time in accordance with the rules governing the Index and accepts no liability for any such amendment or adjustment. Neither the Index Sponsor nor the Index Calculation Agent are under any obligation to continue the calculation, publication or dissemination of the Index and accept no liability for any suspension or interruption in the calculation thereof which is made in accordance with the rules governing the Index. None of the Index Sponsor, the Index Calculation Agent nor, where applicable, the Index Investment Advisor accept any liability in connection with the publication or use of the level of the Index at any given time.

The Index Methodology embeds certain costs in the strategy which cover amongst other things, friction, replication and repo costs in running the Index. The levels of such costs (if any) may vary over time in accordance with market conditions as determined by the Index Sponsor acting in a commercially reasonable manner.

BNP Paribas and/or its affiliates may act in a number of different capacities in relation to the Index and/or products linked to the Index, which may include, but not be limited to, acting as market-maker, hedging counterparty, issuer of components of the Index, Index Sponsor and/or Index Calculation Agent. Such activities could result in potential conflicts of interest that could influence the price or value of a Product."