

BASE PROSPECTUS



COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A. (RABOBANK STRUCTURED PRODUCTS)

*(a coöperatie with limited liability established under the laws of the Netherlands
with its statutory seat in Amsterdam, the Netherlands)*

EUR 15,000,000,000 Structured Medium Term Note Programme Due from seven days to perpetuity

Under the EUR 15,000,000,000 Structured Medium Term Note Programme described in this Base Prospectus (the “**Programme**”), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (the “**Issuer**”, “**Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Structured Products)**” or “**Rabobank Structured Products**”) may, subject to compliance with all relevant laws, regulations and directives, from time to time issue medium term notes (the “**Notes**”).

The Notes issued under this Programme may be issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”). The aggregate nominal amount of Notes outstanding will not at any time exceed EUR 15,000,000,000 (or the equivalent in any other currencies). The Programme is, and Notes issued under it may be, denominated in euro, which means the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty of European Union (signed in Maastricht on 7 February 1992), or any other currency agreed between the Issuer and the relevant Dealer(s).

Bearer Notes for which TEFRA D is specified in the relevant Final Terms will be represented initially by a temporary global Note, without interest coupons, which will be deposited either (i) with a common depositary for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, *société anonyme*, Luxembourg (“**Clearstream**”), (ii) with the Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (“**Euroclear Netherlands**”), or (iii) as otherwise agreed between the Issuer and the relevant Dealer(s), as applicable, on or about the issue date of the relevant Notes. The temporary global Note will be exchangeable for definitive Notes in bearer form following the expiration of 40 days after the later of the commencement of the offering and the closing date, upon certification as to non-U.S. beneficial ownership as may be required by U.S. tax laws and regulations, as described under “Form of the Notes”.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see “Risk Factors” on pages 16 to 39.

This Base Prospectus is a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”) and the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (the “**Financial Supervision Act**”) and regulations thereunder (together, “**Dutch securities laws**”) and has been approved by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten* or the “**AFM**”), in its capacity as competent authority under the Dutch securities laws, in accordance with the provisions of the Prospectus Directive and the Dutch securities laws on 22 June 2012. In addition, this Base Prospectus constitutes an issuance programme for the purposes of Article 22 of the Additional Rules for the Listing of Derivatives and the applicable provisions of the Listing Rules of the SIX Swiss Exchange Ltd (“**SIX Swiss Exchange**”). Application has been made to register this Base Prospectus as an issuance programme with SIX Swiss Exchange.

Application will be made for Notes issued under the Programme within 12 months of the date of this Base Prospectus to be admitted for trading on NYSE Euronext in Amsterdam (“**Euronext Amsterdam**”) and to list on the official list of the Luxembourg Stock Exchange (the “**Official List**”) and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange.

Euronext Amsterdam is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments (the “**Markets in Financial Instruments Directive**”). References in this Programme to Notes being “**listed**” (and all related references) shall mean that such Notes have been admitted to trading on a regulated market. The expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

Notes issued under the Programme may also be listed on the SIX Swiss Exchange and admitted to trading on the platform of Scoach Switzerland Ltd. In respect of Notes to be listed on the SIX Swiss Exchange, this Base Prospectus together with the relevant Final Terms (as defined below) to this Base Prospectus in respect of the issue of any such Notes constitute the complete listing prospectus within the meaning of Article 21 of the Additional Rules for the Listing of Derivatives of the SIX Swiss Exchange for the issue of the Notes.

In addition, Notes may also be listed on another stock exchange and unlisted Notes may also be issued under the Programme. The relevant final terms to this Base Prospectus (the “**Final Terms**”) in respect of the issue of any Notes will specify whether such Notes will be listed on Euronext Amsterdam, on SIX Swiss Exchange, on any other stock exchange or whether the Notes will not be listed. In relation to each separate issue of Notes, the price and amount of such Notes will be determined by the Issuer and the relevant Dealers in accordance with prevailing market conditions at the time of the issue of the Notes and will be set out in the relevant Final Terms.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplementary prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Distribution of this Base Prospectus and any Final Terms and the offering, sale or delivery of the Notes may be restricted in certain jurisdictions by law (see “Subscription and Sale”).

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer and the Dealer(s) to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933 (the “**Securities Act**”) or with any securities regulatory authority of any State or other jurisdiction of the United States and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or, in the case of bearer Notes, delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”) in the case of Notes in registered form, or as defined in the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), and regulations thereunder in the case of Notes in bearer form). Notes may be offered and sold outside the United States to non-U.S. persons in reliance on Regulation S and within the United States to “qualified institutional buyers” in reliance on Rule 144A under the Securities Act (“**Rule 144A**”). Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. See “Form of the Notes” for a description of the manner in which Notes will be issued. Registered Notes, and Notes in bearer form that are subject to U.S. tax law requirements, are subject to certain restrictions on transfer (see “Transfer Restrictions” and “Subscription and Sale”).

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission (the “**SEC**”), any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States.

In Switzerland, the Notes issued under the Programme are considered as structured products. They do not constitute a participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes (“**CISA**”) and thus do not require an authorization, and are not subject to the supervision, of the Swiss Financial Market Supervisory Authority (FINMA). Accordingly, prospective investors in the Notes are not eligible for the specific investor protection provided under the CISA.

Senior long-term Notes (“**Senior Notes**”) issued under the Programme are expected to be rated AA by Fitch Ratings Ltd (“**Fitch**”). Senior Notes are expected to be rated Aa2 by Moody's Investors Service Ltd. (“**Moody's**”) and are expected to be rated AA by Standard & Poor's Credit Market Services Europe Limited (“**Standard & Poor's**”). Notes issued pursuant to the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to Senior Notes

issued under the Programme and will be specified in the relevant Final Terms. Whether or not a rating in relation to any Notes will be treated as having been issued by a credit rating agency established in the European Union and/or regulated under the CRA Regulation will be disclosed in the relevant Final Terms. None of these ratings is a recommendation to buy, sell or hold securities and any of them may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency without prior notice. Each of Fitch, Moody's and Standard & Poor's is established in the European Union and is registered under Regulation (EC) No 1060/2009 (the "**CRA Regulation**"). In addition, this Base Prospectus contains or refers to certain credit ratings issued by DBRS Ratings Limited ("**DBRS**"). DBRS is established in the European Union and is registered under the CRA Regulation. A list of credit rating agencies registered under the CRA Regulation is published by the European Securities and Markets Authority on its website.

Unless the context otherwise requires, references in this Base Prospectus to "**Rabobank Group**", "**Rabobank**" or the "**Group**" are to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and its members, subsidiaries and affiliates. Rabobank Nederland and Rabobank International are trading names of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. For the purposes of this Base Prospectus, references to "Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Structured Products)" or "Rabobank Structured Products" are to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. as issuer.

This Base Prospectus supersedes and replaces the base prospectus dated 22 September 2011.

Dealer

RABOBANK INTERNATIONAL

The date of this Base Prospectus is 22 June 2012.

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SUMMARY

This summary must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference, by any investor. The Issuer has civil liability in respect of this summary if it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to information contained in this Base Prospectus is brought before a court in a Relevant Member State, the claimant may, under the national legislation of the Relevant Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Issuer: Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (the “**Issuer**”, “**Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Structured Products)**” or “**Rabobank Structured Products**”). Unless the context otherwise requires, references in this Base Prospectus to “**Rabobank Group**”, “**Rabobank**” or the “**Group**” are to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and its members, subsidiaries and affiliates.

Rabobank: Rabobank Group is an international financial service provider operating on the basis of cooperative principles. At 31 December 2011, it comprised 139 independent local Rabobanks and their central organisation Rabobank Nederland and its subsidiaries. Rabobank Group operates in 47 countries. Its operations include domestic retail banking, wholesale banking and international retail banking, asset management, leasing and real estate. It serves approximately 10 million clients around the world. In the Netherlands, its focus is on all-finance services and, internationally, on food and agri. Rabobank Group entities have strong internal relationships due to Rabobank’s cooperative structure.

Rabobank Group’s stability and creditworthiness is reflected in the ratings awarded by several rating agencies (Standard & Poor’s, Moody’s, Fitch and DBRS). In terms of Tier 1 capital, Rabobank Group is among the world’s 30 largest financial institutions (source: The Banker).

Rabobank Group’s cooperative core business comprises independent local Rabobanks. Clients can become members of their local Rabobank. In turn, the local Rabobanks are members of Rabobank Nederland, the supralocal cooperative organisation that advises and supports the banks in their local services. Rabobank Nederland also supervises the operations, sourcing, solvency and liquidity of the local Rabobanks. With 872 branches and 2,949 cash-dispensing machines at 31 December 2011, the local Rabobanks form a dense banking network in the Netherlands. In the Netherlands, the local Rabobanks serve approximately 6.8 million retail clients, and approximately 0.8 million corporate clients, offering a comprehensive package of financial services.

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) is the holding company of a number of specialised subsidiaries in the Netherlands and abroad. Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International) (“**Rabobank International**”) is Rabobank Group’s wholesale bank and international retail bank.

At 31 December 2011, Rabobank Group had total assets of €731.7 billion, a private sector loan portfolio of €448.3 billion, amounts due to customers of €329.9 billion, savings deposits of €140.0 billion and equity of €45.0 billion. At 31 December 2011, its Tier 1 ratio, which is the ratio between Tier 1 capital and total risk-weighted assets, was 17.0 per cent. and its core Tier 1 ratio, which is the ratio between core Tier 1 capital and total risk-weighted assets, was 12.7 per cent. For the year ended 31 December 2011, Rabobank Group’s efficiency ratio, which is the ratio between total operating expenses and total income, was 65.2 per cent., and return on equity, or net profit expressed as a percentage of Tier 1 capital, was 7.6 per cent. For the year ended 31 December 2011, Rabobank Group realised net profit of €2,627 million and a risk-adjusted return on capital (“**RAROC**”) of 11.8 per cent. after tax. At 31 December 2011, Rabobank Group had 59,670 full-time employees.

Objectives: According to article 3 of its articles of association, the objective of Rabobank Nederland is to promote the interests of its members, the local Rabobanks. It shall do so by: (i) promoting the establishment, continued existence and development of cooperative banks; (ii) conducting the business of banking in the widest sense, especially by acting as central bank for its members and as such entering into agreements with its members; (iii) negotiating rights on behalf of its members and, with due observance of the relevant provisions of the articles of association, entering into commitments on their behalf, provided that such commitments have the same implications for all its members, including the entering into collective labour agreements on behalf of its members; (iv) participating in, managing and providing services to other enterprises and institutions, in particular enterprises and institutions operating in the fields of insurance, lending, investments and/or other financial services; (v) supervising the local Rabobanks in accordance with the provisions of the Financial Supervision Act (*Wet op het financieel toezicht*); and (vi) doing all such other things as may be regarded as being incidental or conducive to the attainment of the objectives specified above.

Market shares in the Netherlands: As an all-finance service provider, Rabobank Group offers a comprehensive package of financial products and services.

Residential mortgages: For the year ended 31 December 2011, Rabobank Group had a market share of 31.7 per cent. of the total amount of new home mortgages in the Dutch mortgage market (source: Dutch Land Registry Office (*Kadaster*)).

Savings deposits of individuals: At 31 December 2011, Rabobank Group had a market share of 38.7 per cent. of the Dutch savings market (source: Statistics Netherlands (*Centraal Bureau voor de Statistiek*)).

Lending to small and medium-sized enterprises: At 31 December 2011, Rabobank Group had a market share of 42 per cent. of domestic loans to the trade, industry and services sector (source: measured by Rabobank's own surveys).

Agricultural loans: At 31 December 2011, Rabobank Group had a market share of 83 per cent. of loans and advances made by banks to the Dutch primary agricultural sector (source: measured by Rabobank's own surveys).

Asset quality record: For the year ended 31 December 2011, Rabobank's bad debt costs were 37 basis points of average lending, which is higher than the ten year average of 24 basis points (based on the period from 2001 to 2010).

At 31 December 2011, economic country risk exposure to non-OECD countries represented 6.8 per cent. of Rabobank Group's total assets. Having taken into account country risk-reducing components, net country risk before provisions amounted to 1.7 per cent. of Rabobank's total assets.

Capitalisation: At 31 December 2011, Rabobank's Tier 1 ratio was 17.0 per cent. and its core Tier 1 ratio was 12.7 per cent.

Dealer(s): Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International) and any additional Dealer(s) appointed by the Issuer either in respect of one or more Tranches or in respect of the whole Programme (the "**Dealers**"). The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional Dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to "Dealers" are to the persons that are appointed as dealers in respect of the Programme (and whose appointment has not been terminated) and all persons appointed as a dealer in respect of one or more Tranches.

Calculation Agent: Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International) or, if different, as specified in the relevant Final Terms. All determinations and calculations made by the Calculation Agent are made by it in its sole discretion and in good faith, acting reasonably and on

an arm's-length basis. All such determinations and calculations so made are final and binding (save in the case of manifest error) on all parties.

Fiscal Agent: Means either (i) the Issuing and Paying Agent if the (Global) Notes are or will be deposited with Euroclear, Clearstream or DTC or (ii) the Euroclear Netherlands Fiscal Agent if the (Global) Notes are or will be solely deposited with Euroclear Netherlands.

Distribution: Notes of each Tranche may be issued by way of private or public placement and in each case on a syndicated or non-syndicated basis, as specified in the relevant Final Terms.

Issue Price: The price and amount of Notes to be issued will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions. In particular, the Issue Price may take into account amounts with respect to commissions relating to the issue and sale of such Notes. Notes may be issued on a fully-paid or partially paid basis at an issue price which is at par, or a discount to, or a premium over par.

Form of Notes: The Notes of each Tranche of each Series (as defined herein) to be issued in bearer form ("**Bearer Notes**") will initially be represented by a temporary global note in bearer form, without interest coupons (each a "**Temporary Global Note**"). Temporary Global Notes will be deposited on the issue date either with (a) a Common Depositary on behalf of Euroclear and Clearstream or (b) Euroclear Netherlands or (c) such other clearing system as may be selected by the Issuer or agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s). Interests in Temporary Global Notes will be exchangeable for interests in permanent global notes (each a "**Permanent Global Note**" and together with the Temporary Global Note, the "**Global Notes**") or, if so stated in the relevant Final Terms, definitive notes ("**Definitive Notes**"), after the date falling 40 days after the completion of the distribution of such Tranche upon certification as to non-U.S. beneficial ownership. Interests in Permanent Global Notes will be exchangeable for Definitive Notes in whole but not in part as described under "Form of the Notes".

The Notes of each Tranche of each Series to be issued in registered form ("**Registered Notes**") which are sold in the United States to "qualified institutional buyers" ("**QIBs**") within the meaning of Rule 144A will initially be represented by a permanent registered global certificate (each a "**Global Certificate**") without interest coupons, which may be deposited on the issue date (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, with a Common Depositary on behalf of Euroclear and Clearstream, (b) in the case of a Tranche intended to be cleared through The Depository Trust Company ("**DTC**"), with a custodian for, and registered in the name of a nominee of, DTC and (c) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream or DTC, or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer(s).

Beneficial interests in Global Certificates held by Euroclear, Clearstream and/or DTC will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear, Clearstream and/or DTC and its participants. See "Clearing and Settlement".

Interests in Global Certificates may be exchanged for individual certificates ("**Definitive Certificates**" and together with Global Certificates, "**Certificates**") in certain limited circumstances. See "Form of the Notes" and "Clearing and Settlement".

Clearing Systems: Euroclear, Clearstream, Euroclear Netherlands, DTC or such other clearing system as may be selected by the Issuer or agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s).

Currencies: Subject to compliance with all relevant laws, regulations and directives and/or central bank requirements, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer(s) and specified in the relevant Final Terms.

Maturities: Subject to compliance with all relevant laws, regulations and directives and/or central bank requirements, Notes may be issued with any maturity between seven days and perpetuity.

Denomination: Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) and will be specified in the relevant Final Terms. Issues of Notes in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) and which have a maturity of less than one year must have a minimum denomination of £100,000 (or its equivalent in other Specified Currencies).

Protection Amount: The relevant Final Terms will indicate whether a Protection Amount is applicable to the relevant Notes. If applicable, the Notes will, subject to the relevant Final Terms, in no circumstances be repayable, at the stated Maturity Date, at less than the specified percentage of the nominal amount of such Notes as set forth in the relevant Final Terms. For the avoidance of doubt, the Protection Amount will not apply in the event that Notes are redeemed prior to their stated Maturity Date upon the occurrence of, among others, a Tax Call, an Index Adjustment Event, a Potential Adjustment Event or an Event of Default.

Fixed Rate Notes: Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) and/or on redemption, and will be calculated on the basis of such Day Count Fraction as may be selected as applying in the relevant Final Terms.

Floating Rate Notes: Floating Rate Notes will bear interest at a rate agreed between the Issuer and the relevant Dealer(s):

- (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the relevant Series); or
- (b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (c) on such other basis as may be agreed between the Issuer and the relevant Dealer(s) as specified in the relevant Final Terms.

The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each Series of Floating Rate Notes.

Zero Coupon Notes: Zero Coupon Notes will bear no interest, unless specified otherwise in the relevant Final Terms, will be issued at a discount to their principal amount and will be redeemed as agreed between the Issuer and the relevant Dealer(s) as specified in the relevant Final Terms.

Currency Linked Notes:

Currency Linked Interest Notes: Payments of interest in respect of Currency Linked Interest Notes will be calculated and made by reference to a single currency rate or basket of currency rates on such terms and/or formula as may be agreed between the Issuer and the relevant Dealer(s), as specified in the relevant Final Terms and/or the Schedule thereto.

Currency Linked Redemption Notes: Payments of principal in respect of Currency Linked Redemption Notes will be calculated and made by reference to a single currency rate or basket of currency rates on such terms and/or formula as may be agreed between the Issuer and the relevant Dealer(s), as specified in the relevant Final Terms and/or the Schedule thereto. Each Note will be redeemed by the Issuer by payment of the Final Redemption Amount specified in or as determined pursuant to provisions in the relevant Final Terms.

Commodity Linked Notes:

Commodity Linked Interest Notes: Payments of interest in respect of Commodity Linked Interest Notes will be calculated and made by reference to a single commodity, basket of commodities, commodity index or basket of commodity indices, on such terms and/or formula as may be agreed between the Issuer and the relevant Dealer(s), as specified in the relevant Final Terms and/or the Schedule thereto.

Commodity Linked Redemption Notes: Payments of principal in respect of Commodity Linked Redemption Notes will be calculated and made by reference to a single commodity, basket of commodities, commodity index or basket of commodity indices, on such terms and/or formula as may be agreed between the Issuer and the relevant Dealer(s), as specified in the relevant Final Terms and/or the Schedule thereto. Each Note will be redeemed by the Issuer by payment of the Final Redemption Amount specified in or as determined pursuant to provisions in the relevant Final Terms.

If an Additional Disruption Event or Adjustment to a Commodity Index occurs, the Notes will be subject to adjustment or may be redeemed early by the Issuer, in each case as more fully set out under “Terms and Conditions of the Notes”.

Index Linked Notes:

Index Linked Interest Notes: Payments of interest in respect of Index Linked Interest Notes will be calculated and made by reference to a single index or basket of indices on such terms and/or formula as may be agreed between the Issuer and the relevant Dealer(s), as specified in the relevant Final Terms and/or Schedule thereto.

Index Linked Redemption Notes: Payments of principal in respect of Index Linked Redemption Notes will be calculated and made by reference to a single index or basket of indices on such terms and/or formula as may be agreed between the Issuer and the relevant Dealer(s), as specified in the relevant Final Terms and/or Schedule thereto. Each Note will be redeemed by the Issuer by payment of the Final Redemption Amount specified in or as determined pursuant to provisions in the relevant Final Terms.

If an Index Adjustment Event or Additional Disruption Event occurs, the Notes will be subject to adjustment or may be redeemed early by the Issuer, in each case as more fully set out under “Terms and Conditions of the Notes”.

Equity Linked Notes:

Equity Linked Interest Notes: Payments of interest in respect of Equity Linked Interest Notes will be calculated and made by reference to a single equity security or basket of equity securities on such terms and/or formula as may be agreed between the Issuer and the relevant Dealer(s), as specified in the relevant Final Terms and/or the Schedule thereto.

Equity Linked Redemption Notes: Payments of principal in respect of Equity Linked Redemption Notes will be calculated and made by reference to a single equity security or basket of equity securities on such terms and/or formula as may be agreed between the Issuer and the relevant Dealer(s), as specified in the relevant Final Terms and/or the Schedule thereto. Each Note will be redeemed by the Issuer by payment of the Final Redemption Amount specified in or as determined pursuant to provisions in the relevant Final Terms. Equity Linked Redemption Notes may also provide that redemption will be by physical delivery of the Asset Amount as more fully set out under “Terms and Conditions of the Notes”.

If a Potential Adjustment Event and/or Delisting and/or Merger Event and/or Tender Offer and/or Nationalisation and/or Insolvency and/or Additional Disruption Event occurs and/or an adjustment is required

in respect of Equities quoted in European Currencies, the Notes will be subject to adjustment or may be redeemed early by the Issuer, in each case as more fully set out under “Terms and Conditions of the Notes”.

Fund Linked Notes:

Fund Linked Interest Notes: Payments of interest in respect of Fund Linked Interest Notes will be calculated and made by reference to a single fund or basket of funds on such terms and/or formula as may be agreed between the Issuer and the relevant Dealer(s), as specified in the relevant Final Terms and/or the Schedule thereto.

Fund Linked Redemption Notes: Payments of principal in respect of Fund Linked Redemption Notes will be calculated and made by reference to a single fund or a basket of funds on such terms and/or formula as may be agreed between the Issuer and the relevant Dealer(s), as specified in the relevant Final Terms and/or the Schedule thereto. Each Note will be redeemed by the Issuer by payment of the Final Redemption Amount specified in or as determined pursuant to provisions in the relevant Final Terms.

If a Trigger Event occurs, the Notes will be subject to adjustment or may be redeemed early by the Issuer, in each case as more fully set out under “Terms and Conditions of the Notes”.

Credit Linked Notes:

Credit Linked Interest Notes: Payment of interest in respect of Credit Linked Interest Notes will be calculated and made by reference to the credit of a specified entity or entities, or to certain events that could occur with respect to such specified entity or entities on such terms and/or formula as may be agreed between the Issuer and the relevant Dealer(s), as specified in the relevant Final Terms and/or the Schedule thereto.

Credit Linked Redemption Notes: Payment of principal in respect of Credit Linked Redemption Notes will be calculated and made by reference to the credit of a specified entity or entities, or to certain events that could occur with respect to such specified entity or entities on such terms and/or formula as may be agreed between the Issuer and the relevant Dealer(s), as specified in the relevant Final Terms and/or the Schedule thereto. If Conditions to Settlement are satisfied during the Notice Delivery Period, the Issuer will redeem the Notes at the Credit Event Redemption Amount, if Cash Settlement is specified in the relevant Final Terms, or by Delivery of the Deliverable Obligations comprising the Asset Amount, if Physical Delivery is specified in the relevant Final Terms, as more fully set out under “Terms and Conditions of the Notes”.

Dual Currency Notes:

Dual Currency Interest Notes: Payments of interest in respect of Dual Currency Interest Notes will be calculated and made by reference to a single currency rate or basket of rates on such terms and/or formula as may be agreed between the Issuer and the relevant Dealer(s), as specified in the relevant Final Terms and/or the Schedule thereto.

Dual Currency Redemption Notes: Payments of principal in respect of Dual Currency Redemption Notes will be calculated and made on such terms and/or formula as may be agreed between the Issuer and the relevant Dealer(s), as specified in the relevant Final Terms and/or the Schedule thereto.

Other provisions in relation to Floating Rate Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Fund Linked Interest Notes, Credit Linked Interest Notes and Dual Currency Interest Notes:

Floating Rate Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Fund Linked Interest Notes, Credit Linked Interest Notes and Dual Currency Interest Notes may also have a maximum interest rate, a minimum interest rate or both as specified in the relevant Final Terms.

Interest on Floating Rate Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Fund Linked Interest Notes, Credit Linked Interest Notes and Dual Currency Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer(s) as specified in the relevant Final Terms.

Early Redemption: Notes may be redeemed, at the option of the Issuer or the Noteholder (as the case may be), prior to their stated Maturity Date following a Tax Call, an Issuer Call, an Investor Put, an Event of Default, an Index Adjustment Event, a Potential Adjustment Event, an Additional Disruption Event or such other events as specified in the relevant Final Terms.

Notes subject to optional redemption by the Issuer: The relevant Final Terms will specify if the Notes will be redeemable (in whole but not in part) at the option of the Issuer. If the Issuer elects to exercise that option, the Notes will be redeemed prior to the stated Maturity Date and at a price specified in the relevant Final Terms.

Instalment Notes: The relevant Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are specified in the relevant Final Terms.

Partly Paid Notes: The relevant Final Terms may provide that the Issue Price of such Notes may be payable in two or more instalments on such dates as are specified in the relevant Final Terms.

Status of Notes: The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer, all as described in “Terms and Conditions of the Notes – Status of the Notes”. However, subordinated Notes may be issued under the Programme. In such event, the relevant Final Terms will contain the details of such subordination.

Cross Default: See “Terms and Conditions of the Notes – Events of Default”.

Rating: Generally, Notes issued under the Programme will be unrated. However, Notes issued under the Programme may be rated. Where a Tranche of Notes is rated, such rating may not necessarily be the same as the rating applicable to the Issuer. A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Taxation: Rabobank Nederland is a Dutch resident for tax purposes. For the Austrian, Belgian, Dutch, Luxembourg, Swiss and U.S. tax consequences for the Noteholders, see “Taxation”.

Effective yield: The effective yield, if applicable, as per the first day of issue of a series of Notes will be set out in the relevant Final Terms.

Governing Law: The laws of the Netherlands.

Listing and admission to trading: Application will be made for Notes issued under this Programme to be admitted to trading on Euronext Amsterdam and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange.

The Notes may also be listed on the SIX Swiss Exchange or such other stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s) in relation to each issue. The relevant Final Terms will state whether or not the Notes are to be listed and/or admitted to trading, as the case may be, and, if so, on which stock exchange and/or market. Notes may also be unlisted and not admitted to trading on a regulated market.

Selling Restrictions: Restrictions apply to offers, sales or transfer of Notes in various jurisdictions, including among others the United States, the European Economic Area (including the United Kingdom and the Netherlands). See “Subscription and Sale”.

In all, jurisdictions offers, sales or transfers may only be effected to the extent lawful in the relevant jurisdiction.

In the case of a distribution under Rule 144A, Notes will only be issued in registered form, as defined in U.S. Temp. Treas. Reg. §5f.103-1(c).

Transfer Restrictions: There are restrictions on the transfer of Registered Notes offered and sold pursuant to Rule 144A. See “Transfer Restrictions”.

Use of Proceeds: The net proceeds of the Notes will be used by the Issuer for general corporate purposes.

Risk Factors: The purchase of Notes may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. A potential investor in the Notes should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor’s overall investment portfolio. Material risks that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme include Rabobank Group’s exposure to business and general economic conditions, credit risk, country risk, interest and inflation rate risk, funding and liquidity risk, market risk, currency risk, operational risk, legal risk, tax risk, systemic risk, competition, business environment, credit ratings, key employees, minimum regulatory capital and liquidity requirements, terrorist acts, civil unrest, other acts of war or hostility, geopolitical, pandemic or other such events and the effect of governmental policy and regulation. Material risks relating to the structure of a particular issuance of Notes may (depending on the terms of the particular issue) include that the market price of the Notes may be volatile, the Notes may not pay interest or the payment of interest may depend on the market value of other securities, payment of principal or interest may occur at a different time or in a different currency than expected and payment of principal may be in an amount less than the nominal amount of the Notes or even zero. Please see “Risk Factors” below.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision.

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

Business and general economic conditions

The profitability of Rabobank Group could be adversely affected by a worsening of general economic conditions in the Netherlands and/or globally. Banks are still facing persistent turmoil in financial markets following the European sovereign debt crisis that arose in the first half of 2010. Moreover, renewed tensions surrounding Iran's nuclear program, associated with the release of a new report of the International Atomic Energy Agency in November 2011, and the continuing social unrest (which started in the beginning of 2011) in certain Middle Eastern countries, particularly Syria, may also cause adverse economic effects which may adversely impact the Rabobank Group. Factors such as interest rates, exchange rates, inflation, deflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity prices can significantly affect the activity level of customers and the profitability of Rabobank Group. For example, an economic downturn, or significantly higher interest rates, could adversely affect the credit quality of Rabobank Group's assets by increasing the risk that a greater number of its customers would be unable to meet their obligations. Moreover, the market downturn and worsening of the economy could reduce the value of Rabobank Group's assets and could cause Rabobank Group to incur further mark-to-market losses in its trading portfolios or could reduce the fees Rabobank Group earns for managing assets or the levels of assets under management. In addition, a market downturn and increased competition for savings in the Netherlands could lead to a decline in the volume of customer transactions that Rabobank Group executes and, therefore, a decline in customer deposits and the income it receives from fees and commissions and interest. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Factors affecting results of operations — General market conditions". Continuing volatility in the financial markets or a protracted economic downturn in the Netherlands or Rabobank Group's other major markets could have a material adverse effect on Rabobank Group's results of operations.

Credit risk

Credit risk is defined as the risk that the bank will suffer economic losses because a counterparty cannot fulfil its financial or other contractual obligations arising from a credit contract. A "credit" is each legal relationship on the basis of which Rabobank, in its role as financial service provider, can or will obtain a claim on a debtor by providing a product. In addition to loans and facilities (with or without commitment), credit as a generic term also includes, among other things, guarantees, letters of credit and derivatives.

An economic downturn may result in an increase in credit risk and, consequently, loan losses that are above Rabobank Group's long-term average, which could have a material adverse effect on Rabobank Group's results of operations.

Country risk

With respect to country risk, a distinction can be made between transfer risk and collective debtor risk. Transfer risk relates to the possibility of foreign governments placing restrictions on funds transfers from debtors in that country to creditors abroad. Collective debtor risk relates to the situation in which a large number of debtors in a country cannot meet their commitments for the same reason (e.g. war, political and social unrest or natural disasters, but also government policy that does not succeed in creating macro-economic and financial stability).

Unpredictable and unexpected events which increase transfer risk and/or collective debtor risk could have a material adverse effect on Rabobank Group's results of operations.

Interest rate and inflation risk

An important risk component for Rabobank Group is interest rate risk. Interest rate risk is the risk, outside the trading environment, of deviations in interest income and/or the market value of capital as a result of changes in market interest rates. Interest rate risk results mainly from mismatches between the periods for which interest rates are fixed for loans and funds entrusted. If interest rates increase, the rate for Rabobank Group's liabilities, such as savings, can be adjusted immediately. This does not apply to the majority of Rabobank Group's assets, such as mortgages, which have longer interest rate fixation periods. Sudden and substantial changes in interest rates could have a material adverse effect on Rabobank Group's results of operations. Inflation and expected inflation can influence interest rates. An increase in inflation may: (i) decrease the value of certain fixed income instruments which Rabobank Group holds; (ii) result in surrenders of certain savings products with fixed rates below market rates by banking customers of Rabobank Group; (iii) require Rabobank Group to pay higher interest rates on the securities that it issues; and (iv) cause a general decline in financial markets.

Funding and liquidity risk

Liquidity risk is the risk that not all (re)payment commitments can be met. This could happen if clients or other professional counterparties suddenly withdraw more funding than expected, which cannot be met by Rabobank Group's cash resources or by selling or pledging assets or by borrowing funds from third parties. Important factors in preventing this are preserving the trust of customers for retail funding and maintaining access to financial markets for wholesale funding. If either of these were seriously threatened, this could have a material adverse effect on Rabobank Group's results of operations.

Market risk

The value of Rabobank Group's trading portfolio is affected by changes in market prices, such as interest rates, equities, currencies, certain commodities and derivatives. Any future worsening of the situation in the financial markets could have a material adverse effect on Rabobank Group's results of operations.

Currency risk

Rabobank Group is an internationally active bank. As such, part of its capital is invested in foreign activities. This gives rise to currency risk, in the form of translation risk. In addition, the trading books are exposed to market risk, in that they can have positions that are affected by changes in the exchange rate of currencies. Sudden and substantial changes in the exchange rates of currencies could have a material adverse effect on Rabobank Group's results of operations.

Operational risk

As a risk type, operational risk has acquired its own distinct position in the banking world. It is understood to mean “the risk of losses resulting from inadequate or failed internal processes, people or systems or from external events”. Events of recent decades in modern international banking have shown on several occasions that ineffective control of operational risks can lead to substantial losses. Under the Basel II accord, banks must hold capital for this risk. Examples of operational risk incidents are highly diverse: fraud, claims relating to inadequate products, inadequate documentation, losses due to poor occupational health and safety conditions, errors in transaction processing, non-compliance with the law and system failures. The occurrence of any such incidents could have a material adverse effect on Rabobank Group’s results of operations.

Legal risk

Rabobank Group is subject to a comprehensive range of legal obligations in all countries in which it operates. As a result, Rabobank Group is exposed to many forms of legal risk, which may arise in a number of ways. Rabobank Group faces risk where legal proceedings are brought against it. Regardless of whether such claims have merit, the outcome of legal proceedings is inherently uncertain and could result in financial loss. Defending legal proceedings can be expensive and time-consuming and there is no guarantee that all costs incurred will be recovered even if Rabobank Group is successful. Although Rabobank Group has processes and controls to manage legal risks, failure to manage these risks could have a negative impact on Rabobank Group’s reputation and could have a material adverse effect on Rabobank Group’s results of operations.

Tax risk

Rabobank Group is subject to the tax laws of all countries in which it operates. Tax risk is the risk associated with changes in tax law or in the interpretation of tax law. It also includes the risk of changes in tax rates and the risk of failure to comply with procedures required by tax authorities. Failure to manage tax risks could lead to an additional tax charge. It could also lead to a financial penalty for failure to comply with required tax procedures or other aspects of tax law. If, as a result of a particular tax risk materialising, the tax costs associated with particular transactions are greater than anticipated, it could affect the profitability of those transactions, which could have a material adverse effect on Rabobank Group’s results of operations.

Systemic risk

Rabobank Group could be negatively affected by the weakness and/or the perceived weakness of other financial institutions, which could result in significant systemic liquidity problems, losses or defaults by other financial institutions and counterparties. Financial services institutions that deal with each other are interrelated as a result of trading, investment, clearing, counterparty and other relationships. This risk is sometimes referred to as “systemic risk” and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom Rabobank Group interacts on a daily basis. Concerns about the creditworthiness of sovereigns in Europe and North America have recently intensified. The large sovereign debts and/or fiscal deficits of a number of European countries and the United States have raised concerns regarding the financial condition of financial institutions. Any of the above-mentioned consequences of systemic risk could have an adverse effect on Rabobank Group’s ability to raise new funding and its results of operations.

Effect of governmental policy and regulation

Rabobank Group’s businesses and earnings can be affected by the fiscal or other policies and other actions of various governmental and regulatory authorities in the Netherlands, the European Union, the United States and elsewhere. Areas where changes could have an impact include, but are not limited to: the monetary, interest rate and other policies of central banks and regulatory authorities; changes in government or regulatory policy that may significantly influence investor decisions in particular markets in which Rabobank Group operates; changes and rules in competition and pricing environments; developments in the financial

reporting environment; stress testing exercises to which financial institutions in general, and Rabobank Group in particular, are subject; or unfavourable developments producing social instability or legal uncertainty which in turn may affect demand for Rabobank Group's products and services. Regulatory compliance risk arises from a failure or inability to comply fully with the laws, regulations or codes applicable specifically to the financial services industry. Non-compliance could lead to fines, public reprimands, damage to reputation, enforced suspension of operations or, in extreme cases, withdrawal of authorisations to operate.

As of 1 July 2009 a personal mortgage loan should not be higher than €350,000 to be eligible for being secured by the Dutch Homeownership Guarantee Fund (*Stichting Waarborgfonds Eigen Woningen* or "**WEW**"), an institution that was founded by the Dutch government in 1993, through the National Mortgage Guarantee Scheme (*Nationale Hypotheek Garantie* or "**NHG**"). As of 1 July 2012, this maximum will be reduced to €320,000, as of 1 July 2013 to €290,000 and as of 1 July 2014 to €265,000. Moreover, on 1 July 2011 the Dutch government reduced the conveyance tax on privately owned houses (from 6 per cent. to 2 per cent.). The Dutch government also intends to introduce a banking tax in 2012. The tax will be based on the amount of the balance sheet total of the relevant bank as at the end of such bank's preceding financial year. In addition, in 2012 a new way of financing the Dutch Deposit Guarantee Scheme, a system that protects bank depositors from losses caused by a bank's inability to pay its debts when due, will come into force. Finally, the Dutch Central Bank (*De Nederlandsche Bank N.V.*, the "**DNB**"), has launched a proposal that implies a step by step reduction of the maximum permissible amount of a residential mortgage loan to 90 per cent. of the value of the property (instead of the maximum of 106 per cent. that Rabobank has applied since 1 July 2011 and other Dutch banks since 1 August 2011). All these factors may have material adverse effects on Rabobank Group's results of operations.

At 31 December 2011, mortgage loan interest payments for Dutch homeowners are tax deductible. If the tax deductibility is reduced or abolished, which in Rabobank's view is increasingly likely, this could have a material adverse effect on Rabobank Group's results of operations.

On 21 July 2010, the United States enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), which provides a broad framework for significant regulatory changes that will extend to almost every area of U.S. financial regulation. Implementation of the Dodd-Frank Act will require further detailed rulemaking over several years by different U.S. regulators, including the Department of the Treasury, the Federal Reserve, the SEC, the Federal Deposit Insurance Corporation, the Commodity Futures Trading Commission and the newly created Financial Stability Oversight Council, and uncertainty remains about the final details, timing and impact of the rules. The Dodd-Frank Act provides for new or enhanced regulations regarding, among other things: (i) systemic risk oversight, (ii) bank capital standards, (iii) the liquidation of failing systemically significant financial institutions, (iv) OTC derivatives, (v) the ability of banking entities to engage in proprietary trading activities and invest in hedge funds and private equity (the so-called "Volcker rule") and (vi) consumer and investor protection. Although uncertainty remains about many of the details, impact and timing of these regulatory initiatives, implementation of the Dodd-Frank Act and related final regulations could result in significant costs and potential limitations on Rabobank's businesses and may have material adverse effects on Rabobank Group's results of operations.

In the United Kingdom, the Independent Commission on Banking, chaired by Mr. John Vickers, released its Final Report on 12 September 2011. This report recommends that the retail banking activities of banks in the United Kingdom should be structurally separated, by a "ring-fence", from wholesale banking and investment banking activities. In the Netherlands, a similar recommendation was made by the '*Parlementaire Enquêtecommissie Financieel Stelsel*', a parliamentary commission that investigated the turmoil in the financial sector in recent years under chair of Mr. Jan de Wit which presented its final report on 12 April 2012. If the recommendation of the commission De Wit is adopted, this could have a material adverse effect on Rabobank Group's results of operations.

Minimum regulatory capital and liquidity requirements

Rabobank Group is subject to the risk, inherent in all regulated financial businesses, of having insufficient capital resources to meet the minimum regulatory capital requirements. Under Basel II, capital requirements are inherently more sensitive to market movements than under previous regimes. Capital requirements will increase if economic conditions or negative trends in the financial markets worsen. Any failure of Rabobank Group to maintain its minimum regulatory capital ratios could result in administrative actions or sanctions, which in turn may have a material adverse impact on Rabobank Group's results of operations. A shortage of available capital may restrict Rabobank Group's opportunities for expansion.

In the future, under the Basel III proposals ("**Basel III**"), capital and liquidity requirements will increase. On 17 December 2009, the Basel Committee on Banking Supervision (the "**Basel Committee**") proposed a number of fundamental reforms to the regulatory capital framework in its consultative document entitled "Strengthening the resilience of the banking sector". The Basel Committee published its economic impact assessment on 18 August 2010 and, on 12 September 2010, the Group of Governors and Heads of Supervision, the oversight body of the Basel Committee, announced further details of the proposed substantial strengthening of existing capital requirements. On 16 December 2010 the Basel Committee issued its final view on Basel III, as discussed under "**Regulation of Rabobank Group**".

There can be no assurance that, prior to its implementation in 2013, the Basel Committee will not amend the package of reforms described above. Further, the European Commission and/or the Dutch Central Bank may implement the package of reforms in a manner that is different from that which is currently envisaged, or may impose additional capital and liquidity requirements on Dutch banks.

If the regulatory capital requirements, liquidity restrictions or ratios applied to Rabobank Group are increased in the future, any failure of Rabobank Group to maintain such increased capital and liquidity ratios could result in administrative actions or sanctions, which may have an adverse effect on Rabobank Group's results of operations.

Credit ratings

Rabobank Group's access to the unsecured funding markets is dependent on its credit ratings.

A downgrading in its credit ratings, as a result of a change in rating methodology or otherwise, could adversely affect Rabobank Group's access to liquidity alternatives and its competitive position, and could increase the cost of funding or trigger additional collateral requirements all of which could have a material adverse effect on Rabobank Group's results of operations.

Competition

All aspects of Rabobank Group's business are highly competitive. Rabobank Group's ability to compete effectively depends on many factors, including its ability to maintain its reputation, the quality of its services and advice, its intellectual capital, product innovation, execution ability, pricing, sales efforts and the talent of its employees. Any failure by Rabobank Group to maintain its competitive position could have a material adverse effect on Rabobank Group's results of operations.

Business environment

Concerns about geopolitical developments (such as the renewed tensions surrounding Iran's nuclear program since November 2011), social unrest (such as the continuing turmoil in certain Middle Eastern and North African countries), oil prices and natural disasters, among other things, can affect the global financial markets. Since the beginning of the 21st century accounting and corporate governance scandals have significantly undermined investor confidence from time to time. The occurrence of any such developments and events could have a material adverse effect on Rabobank Group's results of operations.

Terrorist acts, other acts of war or hostility, civil unrest, geopolitical, pandemic or other such events

Terrorist acts, other acts of war or hostility, civil unrest, geopolitical, pandemic or other such events and responses to those acts/events may create economic and political uncertainties, which could have a negative impact on Dutch and international economic conditions generally, and more specifically on the business and results of Rabobank Group in ways that cannot necessarily be predicted. The occurrence of any such events could have a material adverse effect on Rabobank Group's results of operations.

Key employees

Rabobank Group's success depends to a great extent on the ability and experience of its senior management and other key employees. The loss of the services of certain key employees, particularly to competitors, could have a material adverse effect on Rabobank Group's results of operations. The failure to attract or retain a sufficient number of appropriate employees could significantly impede Rabobank Group's financial plans, growth and other objectives and have a material adverse effect on Rabobank Group's results of operations.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential Investor's Currency (as defined in "Risks related to the market generally – Exchange rate risks and exchange controls");
- (d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

No interest may be payable under the Notes

Prospective investors should note that no interest may be paid on the Notes on or prior to their redemption date. An investor in the Notes, in the context of its own financial position, must be capable of holding such Notes to maturity with no income stream in the form of interest payments.

As there may be no periodic payment of interest to the Noteholders, any increase in the value of the underlying (if any) will not be crystallised until the Notes are redeemed, and the Notes may fall in value at any time prior to redemption.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors, the most common of which are set out below:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Currency Linked Notes

The Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon movements in currency exchange rates or are payable in one or more currencies which may be different from the currency in which the Notes are denominated.

Potential investors in any such Notes should be aware that, depending on the terms of the Currency Linked Notes, (a) they may receive no or a limited amount of interest, (b) payment of principal or interest may occur at a different time or in a different currency than expected and (c) they may lose all or a substantial portion of their investment. In addition, movements in currency exchange rates may be subject to significant fluctuations that may not correlate with changes in interest rates or other indices and the timing of changes in the exchange rates may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in currency exchange rates, the greater the effect on yield.

If the amount of principal and/or interest payable are dependent upon movements in currency exchange rates and are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the currency exchange rates on principal or interest payable will be magnified.

The market price of such Notes may be volatile and, if the amount of principal and/or interest payable are dependent upon movements in currency exchange rates, may depend upon the time remaining to the redemption date and the volatility of currency exchange rates. Movements in currency exchange rates may be dependent upon economic, financial and political events in one or more jurisdictions.

Commodity Linked Notes

The Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon the price or changes in the price of a commodity or basket of commodities or where, depending on the price or change in the price of the commodity or commodity Index or basket of commodities or commodity Indices, on redemption the Issuer may be obliged to deliver specified assets.

Potential investors in any such Notes should be aware that depending on the terms of the Commodity Linked Notes (a) they may receive no or a limited amount of interest, (b) payment of principal or interest or delivery of any specified assets may occur at a time other than expected and (c) they may lose all or a substantial portion of their investment. In addition, the movements in the price of the commodity or commodities may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the commodity or the commodities may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price or prices of the commodities, the greater the effect on yield.

If the amount of principal and/or interest payable are determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price of the commodity or commodities on principal, interest payable or the amount of specified assets deliverable will be magnified.

The market price of such Notes may be volatile and may depend on the time remaining to the redemption date and the volatility of the price of the commodities. The price of commodities may be affected by economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) on which any such commodities may be traded.

Index Linked Notes, Equity Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or to other factors (each, a “**Relevant Factor**”). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (a) the market price of such Notes may be volatile;
- (b) they may risk losing part of, or their entire investment, for example, if exchange rates or any other relevant index moves sufficiently in an unanticipated direction;

- (c) payment of principal or interest or delivery of any specified assets (if applicable) may occur at a different time or in a different currency than expected;
- (d) the amount of principal payable on redemption may be less than the nominal amount on such Notes or even zero;
- (e) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (f) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable or the amount of specified assets deliverable (if applicable) will likely be magnified;
- (g) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield; and
- (h) the Terms and Conditions of the Notes may contain broad calculation agent discretions to interpret, change or redeem the Notes, where such discretions are not required to be exercised in the interests of Noteholders.

No recourse to or claim against any Equity Issuer

Equity Linked Notes will not represent a claim against or an investment in any Equity Issuer and Noteholders will not have any right of recourse under the Notes to any such company or the Equities. The Notes are not in any way sponsored, endorsed or promoted by any Equity Issuer and such companies have no obligation to take into account the consequences of their actions for any Noteholders. Accordingly, the Equity Issuer may take any actions in respect of such Equity without regard to the interests of the purchasers of the Notes, and any of these actions could adversely affect the market value of the Notes.

Notes linked to ADRs or GDRs

An investment in Notes linked to American Depositary Receipts (“**ADRs**”) or Global Depositary Receipts (“**GDRs**”) (ADRs and GDRs, together, “**Depositary Receipts**”) entails significant risks in addition to those associated with Equity Linked Notes and with investments in a conventional debt security. There are important differences between the rights of holders of Depositary Receipts and the rights of holders of the Equity Issuer represented by such Depositary Receipts. A Depositary Receipt is a security that represents capital stock of the relevant Underlying Equity Issuer. The relevant deposit agreement for the Depositary Receipt sets forth the rights and responsibilities of the depositary (being the issuer of the Depositary Receipt), the Underlying Equity Issuer and holders of the Depositary Receipts which may be different from the rights of holders of the Underlying Equities.

The legal owner of the Underlying Equities is the custodian bank which at the same time is the issuing agent of the Depositary Receipts. Depending on the jurisdiction under which the Depositary Receipts have been issued and the jurisdiction to which the custodian agreement is subject, it is possible that the corresponding jurisdiction would not recognise the purchaser of the Depositary Receipts as the actual beneficial owner of the Underlying Equities. Particularly in the event that the custodian bank becomes insolvent or that enforcement measures are taken against the custodian bank, it is possible that an order restricting free disposition could be issued with respect to the Underlying Equities or that such shares are realised within the framework of an enforcement measure against the custodian bank. If this is the case, the holder of the Depositary Receipt loses their rights under the Underlying Equities and the Notes would become worthless.

Adjustment to the terms and conditions or replacement of the Underlying Equities following certain corporate events in relation to the Underlying Equities may materially and adversely affect the value of the Notes.

Notes linked to Exchange Traded Notes

Investors should be aware that the Notes which are linked to Exchange Traded Notes (the “**ETNs**”) may entail significant risks in addition to those associated with Equity Linked Notes and with investments in a conventional debt security. ETNs are medium-term notes which are issued by the Equity Issuer; ETNs are uncollateralised debt securities linked to the performance of S&P 500 Short-Term VIX Futures™ TR Index (the “**Underlying Index**”) and have no principal protection; therefore investors bear the additional credit risk of the issuer of the ETN.

The ETN seeks to provide exposure to certain short-term VIX Index futures, because the Chicago Board of Options Exchange Volatility Index® (the “**VIX Index**”) is not a directly investable index. Investors should be aware that the ETNs provide exposure to volatility via the Underlying Index and are not linked to the VIX Index.

The ETNs are intended to track the Underlying Index which is based upon holding rolling long (or short positions) in futures on the VIX Index; these futures will not necessarily track the performance of the VIX Index.

The price of the ETNs is influenced by many unpredictable factors. These may include economic, financial, political, regulatory, geographical, biological or other events affecting the level of the VIX Index, supply and demand for the ETNs, the time remaining to maturity of the ETNs, interest rates and the perceived creditworthiness of the issuer of the ETN. Such factors may interrelate in complex ways. For further information about the ETNs, prospective investors should refer to the relevant offering documents relating to the ETNs.

Settlement Disruption Events

In the case of Notes for which Physical Delivery is specified as applicable in the relevant Final Terms, if a Settlement Disruption Event occurs or exists on the Delivery Date, settlement or redemption, as the case may be, will be postponed until the date on which no Settlement Disruption Event is subsisting. The Issuer, while the Settlement Disruption Event is continuing, also has the right to pay the Disruption Cash Settlement Price in lieu of physical settlement.

Failure to Deliver

In the case of Equity Linked Notes for which Physical Delivery is specified as applicable in the relevant Final Terms, if following exercise or on the date of redemption, as the case may be, of such Notes it is impossible or impracticable in the opinion of the Calculation Agent to deliver when due some or all of the Relevant Assets where such failure to deliver is due to illiquidity in the market for such Relevant Assets, the Issuer has the right to pay the Failure to Deliver Settlement Price in lieu of delivering some or all of such Affected Relevant Assets.

Notes linked to Proprietary Indices

Each index or strategy set out under “Rabobank Proprietary Indices” (each a “**Proprietary Index**”) follows a notional rules-based proprietary trading strategy that operates on the basis of pre-determined rules. Accordingly, potential investors in Notes which are linked to the performance of a Proprietary Index should determine whether the relevant rules are appropriate in light of their individual circumstances and investment objectives.

No assurance can be given that the strategy of a Proprietary Index employed by the sponsor of such Proprietary Index (the “**Index Sponsor**”) will be successful, generate positive returns, outperform any benchmark or other indices or that the return (if any) on a Proprietary Index will be as projected or estimated.

An investment in Notes linked to any Proprietary Index may not be a suitable investment for all investors

Notes linked to a Proprietary Index are complex financial instruments and such Notes may be purchased as a way for investors to acquire particular market exposures or seek enhanced yield with an appropriate addition of risk to their overall portfolio. Prospective investors should not invest in complex financial instruments unless they have the expertise to evaluate how such an instrument may perform under changing conditions, the resulting effects on the value of such instrument and the impact this investment will have on their overall investment portfolio.

No recourse to assets

Each Proprietary Index is purely synthetic. The exposure to the components of a Proprietary Index is purely notional and will exist only in the records held by the relevant Index Sponsor. There are no assets or components to which any person is entitled or in which any person has any ownership interest or which serve as collateral for any investment product related to a Proprietary Index. An investment in Notes linked to a Proprietary Index is not the same as a direct investment in any or all of the components comprised in the Index. A Note will not represent a claim against any component comprised in a Proprietary Index to which the amount of principal and/or interest payable or amount of specified assets deliverable in respect of the Notes is dependent and, in the event that the amount paid by the Issuer or the value of the specified assets delivered on redemption of the Notes is less than the principal amount of the Notes, a Noteholder will not have recourse under a Note to any component comprised in a Proprietary Index.

Termination, cancellation and suspension of a Proprietary Index

The Index Sponsor and the calculation agent of a Proprietary Index are under no obligation to continue the calculation, publication and dissemination of the Proprietary Index. A Proprietary Index may be terminated, cancelled or suspended at any time by the relevant Index Sponsor. This may cause the Issuer to amend or terminate Notes linked to the Proprietary Index. The termination of a Proprietary Index or the amendment or termination of Notes may have a negative impact on the return on any investment in an Notes related to the Proprietary Index.

Simulated operating history

The relevant Index Sponsor may have retrospectively calculated the closing levels of a Proprietary Index from a defined base date to but excluding the first live date. In the absence of actual historical performance, historical levels are simulated, and must be considered hypothetical and illustrative only. Simulated data may be based on certain assumptions (which may not be true in the future) and constructed using procedures that vary from those used to calculate the Proprietary Index following its establishment. The simulated operating history may materially differ from the actual performance of a Proprietary Index. Past performance should not be considered indicative of future performance.

Amendment or modification to Proprietary Index rules

The rules governing a Proprietary Index may be amended, modified or adjusted from time to time by the calculation agent of the Proprietary Index and/or the relevant Index Sponsor, as applicable. Any such amendment may be made without the consent of or notice to investors in instruments linked to a Proprietary Index and may have an adverse effect on the level of such Proprietary Index and may therefore have a negative impact on the return on any investment in an Notes related to the Proprietary Index.

Notwithstanding the foregoing paragraph, in the event that the relevant Index Sponsor makes a material change in the formula for or the method of calculating the relevant Proprietary Index or in any other way materially modifies that Proprietary Index (other than a modification prescribed in that formula or method to maintain that Proprietary Index in the event of changes in an underlying asset and other routine events), the

Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 20 giving details of the action proposed to be taken.

Index Sponsor/Calculation Agent discretion

A Proprietary Index confers on the relevant calculation agent of the Proprietary Index and/or Index Sponsor, as applicable, discretion in making certain determinations, calculations and corrections from time to time. The exercise of such discretion in the making of calculations, determinations and corrections may adversely affect the performance of the relevant Proprietary Index.

Potential conflicts of interest

The Issuer or one of its affiliates may be the Index Sponsor or calculation agent in respect of a Proprietary Index to which the Notes are linked. As described above, the role of Index Sponsor or calculation agent for the Index would provide the Issuer (or one of its affiliates) with discretions to make certain determinations and judgements which may influence the performance of such Proprietary Index. Those discretions may be adverse to the interest of the Noteholders and may negatively impact the value of the Notes.

The Issuer or one of its affiliates may from time to time, as principal or agent, have positions in, or may buy or sell, or make a market in any securities, currencies, financial instruments or other assets underlying a Proprietary Index. The Issuer or its affiliates trading and/or hedging activities related to this transaction may have an impact on the price of the underlying asset and may affect the performance of the Proprietary Index.

The Issuer or one of its affiliates may publish research, express opinions or provide recommendations (for example, with respect to the relevant proprietary trading strategy of a Proprietary Index that are inconsistent with investing in products linked to the Proprietary Index, and which may be revised at any time. Any such research, opinions or recommendations may or may not recommend that investors buy or hold any underlying asset comprised in or referenced by the Proprietary Index and could affect the value and or performance of the Proprietary Index or of products linked to the Proprietary Index.

Fund Linked Notes

General

The Issuer may issue Notes where the cash settlement amount/redemption amount and/or interest payable are dependent upon the price or changes in the price of a Fund Interest Unit or where, depending on the price or changes in the price of a Fund Interest Unit, the Issuer has an obligation to deliver specified assets. Accordingly, an investment in Fund Linked Notes may bear similar market risks to a direct fund investment and investors should take advice accordingly.

Potential investors in any such Notes should be aware that, depending on the terms of the Fund Linked Notes, (a) they may receive no or a limited amount of interest, (b) payments or delivery of any specified assets may occur at a different time than expected and (c) they may lose all or a substantial portion of their investment. In addition, the movements in the price of a Fund Interest Unit may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant price of the a Fund Interest Unit may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price or prices of the Fund Interest Unit, the greater the effect on yield.

Neither the Issuer nor its affiliates have the ability to control or predict the actions of the Fund Manager and/or the Fund Adviser, as the case may be. The Fund Manager and/or the Fund Adviser are/is not involved in the offer of the Notes in any way and has no obligation to consider the interests of the Noteholders in taking any corporate actions that might affect the value of the Notes.

The Issuer has no role in the Reference Fund. The Fund Manager and/or the Fund Adviser is responsible for making strategic, investment and other trading decisions with respect to the management of the Reference Fund, consistent with its investment objectives and/or investment restrictions as set out in its constitutive documents. The manner in which a Reference Fund is managed and the timing of such decisions will have a significant impact on the performance of the Reference Fund. Hence, the price which is used to calculate the performance of the Reference Fund is also subject to these risks. Set out below are risks common to any fund or funds and are not specific to the Reference Fund. These risks include¹:

- (a) the risk that the share price of one or more of the assets in the Reference Fund's portfolio will fall, or will fail to rise. Many factors can adversely affect an asset's performance, including both general financial market conditions and factors related to a specific asset or asset class;
- (b) general macro-economic or asset class specific factors, including interest rates, rates of inflation, financial instability, lack of timely or reliable financial information or unfavourable political or legal developments;
- (c) asset allocation policies of the Fund Manager and/or the Fund Adviser;
- (d) credit quality and the risk of default of one of the hedge funds or of assets generally held in the Reference Fund;
- (e) the risk that the Reference Fund's investment objectives and/or investment restrictions as set out in its constitutive documents are materially changed, not complied with or the method of calculating the Net Asset Value is materially changed;
- (f) the risk that the Reference Fund is liquidated, dissolved or otherwise ceases to exist or it or its Fund Manager and/or the Fund Adviser is subject to a proceeding under any applicable bankruptcy, insolvency or other similar law; and
- (g) the risk that the Reference Fund is subject to a fraudulent event.

Prospective investors in the Notes should be aware that the Fund Manager and/or the Fund Adviser will manage the Reference Fund in accordance with the investment objectives of and guidelines applicable to the Reference Fund. Furthermore, the arrangements between the Fund Manager and/or the Fund Adviser and the Reference Fund have, in most cases, not been negotiated at arm's length and it is unlikely that the Fund Manager and/or the Fund Adviser will be replaced or that additional fund managers and/or fund advisers will be retained.

Use of estimates

Potential investors should understand that for certain determinations, the Calculation Agent or the Issuer (as the case may be) may be required to rely on (a) values that at the time they are required are only estimated values and (b) information provided by third parties, such as the Fund Adviser or Fund Service Providers, the accuracy of which neither the Issuer nor the Calculation Agent has any control, and as such, they may rely on this information without any obligation to verify or otherwise corroborate it.

Changing value

The value of the Notes may move up or down between the Issue Date and the Maturity Date and an investor in the Notes in the secondary market during that time or on maturity of the Notes may sustain a significant loss. Factors that may influence the value of the Notes include: the value of the Reference Fund; the creditworthiness of the Issuer in respect of the Notes; and those economic, financial, political and regulatory

¹ Other risks may exist that are currently not known or that, based on today's knowledge, are not deemed to be material enough to be included in this section.

events that affect financial markets generally (including, for example, interest, foreign exchange and yield rates in the market).

The market price of a Fund Interest Unit in the Reference Fund may be volatile and may depend on the time remaining to the redemption date or settlement date (as applicable) and the volatility of the price of a Fund Interest Unit, and may also be affected by the performance of the fund service providers, and in particular the investment adviser. The price of a Fund Interest Unit may be affected by economic, financial, political and regulatory events that affect financial markets generally (including, for example, factors affecting the exchange(s) or quotation system(s) on which any such Fund Interest Unit may be traded.

Prospective purchasers of the Notes have no rights with respect to the Reference Fund or Fund Interest Units in the Reference Fund

A prospective purchaser of Notes has no rights with respect to the Fund Interest Units in the Reference Fund including, without limitation, the right to receive dividends or other distributions. None of the Issuer or the Agents or any of their respective affiliates has performed any investigation or review of any entities that manage the Reference Fund for the purpose of forming a view as to the merit of an investment linked to the Reference Fund. None of the Issuer, any Agent or any of their respective affiliates have performed or will perform any investigation or review of any entities that manage the Reference Fund from time to time, including any investigation of public filings of such entities, for the purpose of forming a view as to the suitability of an investment linked to the Net Asset Value per Fund Interest Unit and they make no guarantee or express or implied warranty in respect of the Reference Fund, the Fund Manager and/or the Fund Adviser or any other entity. Accordingly, investors should not conclude that the issue by the Issuer of the Notes is any form of investment recommendation or advice by any of the Issuer, any Agent or any of their respective affiliates.

Notes may have a Protection Amount but such Protection Amount applies only on the Maturity Date

Prospective investors should note that the Notes may have a minimum redemption amount at maturity called the Protection Amount. There can be no assurance that the Notes will redeem above the minimum redemption amount. The return on the Notes will depend on the performance of the Reference Fund. If the Reference Fund does not perform in line with an investor's view of expectations over the term of the Notes, such an investor in the Notes will not receive any return on its capital and may suffer a loss. Furthermore, such an investor may have lost the opportunity to earn the profit that it might have earned on a deposit or any investment in fixed income securities of the same amount and the same duration. If the Notes are redeemed early by the Issuer, investors in the Notes may not be repaid the amount originally invested by them in the Notes.

Notes may not be principal protected

The investor should note that the Notes may not be principal protected. On the Maturity Date, the Final Redemption Amount per Note may be less than the initial investment amount and purchasers of Notes are exposed to full loss of principal.

Credit Linked Notes

The Issuer may issue Notes where the amount of principal and/or interest payable are dependent upon whether certain events have occurred in respect of a specified entity (the “**Reference Entity**”) and, if so, on the value of certain specified assets of the Reference Entity or where, if such events have occurred, on redemption the Issuer's obligation is to deliver certain specified assets.

Potential investors in any such Notes should be aware that depending on the terms of the Credit Linked Notes (a) they may receive no or a limited amount of interest or principal, (b) payment of principal or interest or

delivery of any specified assets may occur at a time other than expected and (c) they may lose all or a substantial portion of their investment.

Certain determinations in respect of Credit-Linked Notes may be made by reference to announcements, determinations and DC Resolutions made by ISDA and/or Credit Derivatives Determinations Committees. Such announcements, determinations and DC Resolutions could affect the redemption and settlement of the Credit Linked Notes (including the quantum and timing of payments and/or deliveries on redemption). For the avoidance of doubt, neither the Issuer nor the Calculation Agent shall have any liability to any person for any determinations, redemption, calculations and/or delay or suspension of payments and/or redemption of Credit Linked Notes resulting from or relating to announcements, publications, determinations and DC Resolutions made by ISDA and/or any Credit Derivatives Determinations Committees.

In relation to Credit Linked Notes, no DC Party and no legal counsel or other third-party professional hired by a DC Party in connection with such DC Party's performance of its respective duties under the Rules and/or any relevant Credit Derivatives Auction Settlement Terms, as applicable, shall be liable to Noteholders. No DC Party and no legal counsel or other third-party professional hired by a DC Party in connection with such DC Party's performance of its respective duties under the Rules and/or any relevant Credit Derivatives Auction Settlement Terms is acting as fiduciary for, or as an advisor to, Noteholders.

The market price of such Notes may be volatile and will be affected by, among other things, the time remaining to the redemption date and the creditworthiness of the Reference Entity which in turn may be affected by the economic, financial and political events in one or more jurisdictions.

Where the Notes provide for physical delivery, the Issuer may determine that the specified assets to be delivered are either (a) assets which for any reason (including, without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the delivery of assets which are loans) it is impossible or illegal to deliver them on the Settlement Date or (b) assets which the Issuer and/or any Affiliate has not received under the terms of any transaction entered into by the Issuer and/or such Affiliate to hedge the Issuer's obligations in respect of the Notes. Any such determination may delay settlement in respect of the Notes and/or cause the obligation to deliver such specified assets to be replaced by an obligation to pay a cash amount which, in either case, may affect the value of the Notes and, in the case of payment of a cash amount, will affect the timing of the valuation of such Notes and, as a result, the amount of principal payable on redemption. Prospective purchasers should review the Terms and Conditions of the Notes and the relevant Final Terms to ascertain whether and how such provisions should apply to the Notes.

The Issuer's obligations in respect of Credit Linked Notes are irrespective of the existence or amount of the Issuer's and/or any Affiliates' credit exposure to a Reference Entity and the Issuer and/or any Affiliate need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

Partly Paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

The Issuer's obligations under Subordinated Notes are subordinated

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority to the claims of senior creditors. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of its investment should the Issuer become insolvent.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally²:

No claim against any Reference Item

A Note will not represent a claim against any item (a "**Reference Item**") to which the amount of principal and/or interest payable or amount of specified assets deliverable in respect of the Notes is dependent and, in the event that the amount paid by the Issuer or the value of the specified assets delivered on redemption of the Notes is less than the principal amount of the Notes, a Noteholder will not have recourse under a Note to any Reference Item.

An investment in Notes linked to one or more Reference Items may entail significant risks not associated with investments in conventional debt securities, including but not limited to the risks set out in this section². The amount paid or value of the specified assets delivered by the Issuer on redemption of such Notes may be less than the principal amount of the Notes, together with any accrued interest, and may in certain circumstances be zero.

Potential conflicts of interest in relation to hedging

In the ordinary course of its business, including without limitation in connection with its market-making activities, the Issuer and/or any of its Affiliates may effect transactions for its own account or for the account of its customers and hold long or short positions in the Reference Item(s) or related derivatives. In addition, in connection with the offering of the Notes, the Issuer and/or any of its Affiliates may enter into one or more hedging transactions with respect to the Reference Item(s) or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer and/or any of its Affiliates, the Issuer and/or any of its Affiliates may enter into transactions in the Reference Item(s) or related derivatives which may affect the market price, liquidity or value of the Notes and which could be adverse to the interests of the relevant Noteholders.

Other potential conflicts of interest

Where the Issuer acts as Calculation Agent or the Calculation Agent is an Affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and Noteholders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Notes, that may influence the amount receivable or specified assets deliverable on redemption of the Notes.

² Other risks may exist that are currently not known or that, based on today's knowledge, are not deemed to be material enough to be included in this section.

The Issuer and any Dealer(s) may, at the date hereof or at any time hereafter, be in possession of information in relation to a Reference Item that is or may be material in the context of the Notes and may or may not be publicly available to Noteholders. There is no obligation on the Issuer or any Dealer(s) to disclose to Noteholders any such information.

The Issuer and/or any of its Affiliates may have existing or future business relationships with an issuer or issuers of any Reference Item(s) (including, but not limited to, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that they or it deems necessary or appropriate to protect their and/or its interests arising therefrom without regard to the consequences for a Noteholder.

Modification, waivers and substitution

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and/or vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes may be amended by the Issuer (a) for the purposes of curing any ambiguity, or for curing, correcting or supplementing any defective provision contained therein, (b) in any manner which the Issuer may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Notes, Receipts and Coupons (as defined in the Terms and Conditions of the Notes), (c) for the purpose of correcting any manifest error, or (d) if the amendment or modification is of a formal, minor or technical nature or is made to comply with mandatory provisions of law, in each case, without the consent of the holders of the Notes, Receipts and Coupons. The Terms and Conditions of the Notes also provide for the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 17(c) of the Notes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”) (see “Taxation — EU Savings Directive” below), Member States are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payment of interest (or similar income) paid by a person within its jurisdiction to an individual resident 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).

Also with effect from 1 July 2005, a number of non-EU countries and certain dependent or associated territories of certain Member States have agreed to adopt similar measures (either provision of information or transitional withholding) (a withholding system in the case of Switzerland) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories. If, following implementation of the Savings Directive, a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Terms and Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent following implementation of the Savings Directive, the Issuer will be required to maintain a Paying Agent in an EC Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

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

U.S. Foreign Account Tax Compliance Withholding

The Issuer and other non-U.S. financial institutions through which payments on the Notes are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after 31 December 2016 in respect of (i) any Notes issued or materially modified on or after 1 January 2013 and (ii) any Notes which are treated as equity for U.S. federal tax purposes, whenever issued, pursuant to the foreign account provisions (“**FATCA**”) of the Hiring Incentives to Restore Employment Act of 2010. This withholding tax may be triggered if (i) the Issuer is a foreign financial institution (“**FFI**”) (as defined in FATCA) which enters into and complies with an agreement with the U.S. Internal Revenue Service (“**IRS**”) to provide certain information on its account holders (making the Issuer a “**Participating FFI**”), (ii) the Issuer has a positive “passthru percentage” (a term that is expected to be defined in future guidance from the IRS), and (iii)(a) an investor does not provide information sufficient for the relevant Participating FFI to determine whether the investor is subject to withholding under FATCA, or (b) any FFI through which payment on such Notes is made is not a Participating FFI or otherwise exempt from FATCA withholding.

The application of FATCA to the Issuer, as well as to interest, principal or other amounts paid with respect to the Notes is not clear. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, none of the Issuer, any paying agent or any other person would, pursuant to the Terms and Conditions of the Notes be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may, if FATCA is implemented as currently proposed by the IRS, receive less interest or principal than expected. Holders of the Notes should consult their own tax advisers on how these rules may apply to payments they receive under the Notes.

The application of FATCA to Notes issued or materially modified on or after 1 January 2013 (or whenever issued, in the case of Notes treated as equity for U.S. federal tax purposes) may be addressed in the relevant Final Terms or a supplementary prospectus to this Prospectus, as applicable.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER, THE NOTES AND THE HOLDERS IS UNCERTAIN AT THIS TIME. EACH HOLDER OF NOTES SHOULD CONSULT ITS OWN TAX ADVISOR TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

Payments on the Notes may be subject to U.S. withholding tax on Dividend Equivalent Payments

Due to U.S. legislation enacted in 2010, payments on any Note that are, in whole or in part, directly or indirectly contingent upon, or determined by reference to, the payment of a dividend from a U.S. entity (a “**Dividend Equivalent Payment**”) may become subject to a 30% U.S. withholding tax when made to holders that are not U.S. Holders (as defined in “United States Federal Income Taxation”) (“**Non-U.S. Holders**”). The imposition of this U.S. withholding tax will reduce the amounts received by Non-U.S. Holders. Neither the Issuer nor the Principal Agent nor any other person shall pay any additional amounts to the Non-U.S. Holders in respect of such U.S. withholding. If a Non-U.S. Holder becomes subject to this withholding tax, the Non-U.S. Holder may be able to claim any exemptions under its applicable double tax treaty. The application and interpretation of the rules governing U.S. withholding tax on Dividend Equivalent Payments is subject to change.

Dutch Intervention Act and EU Proposals for Bank Intervention

On 13 June 2012 the Dutch Intervention Act (*Wet bijzondere maatregelen financiële ondernemingen*) (the “*Intervention Act*”) entered into force. The Intervention Act amends the Dutch Financial Supervision Act and

the Dutch Insolvency Act and set out what actions can be taken by Dutch authorities when banks and insurers fail and cannot be wound up under ordinary insolvency rules due to concerns regarding the stability of the overall financial system. The Act provides for two categories of measures. The first category includes measures related to the timely and efficient liquidation of failing banks and insurers and gives the DNB the power to transfer customer deposits, assets and/or liabilities other than deposits and shares of an entity to third parties or to a bridge bank. The DNB is also granted the power to influence the internal decision making of failing institutions. The second category includes measures intended to safeguard the stability of the financial system as a whole and grants special powers to the Minister of Finance, including the power to take ownership of failing financial institutions. The Intervention Act also includes provisions limiting the ability of counterparties to exercise their rights after any of the measures mentioned above has been put into place. The Issuer is unable to predict what effects, if any, the Intervention Act may have on the financial system generally, the Issuer's counterparties, or on the Issuer, its operations or its financial position. The Intervention Act may negatively affect the position of Noteholders.

The European Commission launched a number of proposals for a comprehensive framework for dealing with failing banks (the “**EU Proposals**”). The measures contemplated in the EU Proposals are similar to the measures of the Intervention Act. In addition the EU Proposals introduce powers for regulators to write down debt of a failing bank (or to convert such debt into equity) to strengthen its financial position and allow it to continue as a going concern subject to appropriate restructuring. It is at this stage uncertain if any of the EU Proposals will be adopted and if so, when and in what form.

If any of the EU Proposals were to be adopted, this could negatively affect the position of Noteholders.

Change of law

The Terms and Conditions of the Notes are based on the laws of the Netherlands in effect at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of the Netherlands or administrative practice after the date of this Base Prospectus.

Loss of principal

The Terms and Conditions of the Notes provide for Notes to be issued under the Programme for which it is not certain that the principal amount of those Notes will be repaid at redemption. In such event, potential investors should be aware that they may lose all or a substantial portion of their principal.

Bearer Notes where denominations involve integral multiples: definitive Bearer Notes

In relation to any issue of Bearer Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a Noteholder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive bearer Note in respect of such holding (should definitive bearer Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a minimum Specified Denomination.

If definitive Notes are issued, Noteholders should be aware that definitive Notes that have a denomination which is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Book-Entry Interests

The Registered Notes may be represented by one or more Global Certificates. The Global Certificates will be deposited with a custodian on behalf of DTC or its nominee. Except in limited circumstances, holders will not

be entitled to receive certificated notes. DTC will maintain records of the beneficial interests in the Global Certificates. Holders will be able to trade their beneficial interests only through DTC or a participant of DTC. The laws of some jurisdictions, including some states in the United States, may require that certain purchasers of securities take physical delivery of such securities in certificated form. The foregoing limitations may impair a holder's ability to own, transfer or pledge its beneficial interests. A holder of beneficial interests in the Global Certificates in one of these jurisdictions will not be considered the owner or "holder" of the notes.

The Issuer will discharge its payment obligations under the Registered Notes by making payments to the custodian for distribution to the holders of beneficial interests at DTC or a participant of DTC with respect to interests of indirect participants. The Issuer and the initial purchasers of the Registered Notes will not have any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificates. A holder of beneficial interests must rely on the procedures of DTC or DTC's participants, through which holders hold their interests, to receive payments under the Registered Notes. The Issuer cannot assure holders that the procedures of DTC or DTC's nominees, participants or indirect participants will be adequate to ensure that holders receive payments in a timely manner.

A holder of beneficial interests in the Global Certificates will not have a direct right under the covenant governing these notes to act upon solicitations the Issuer may request. Instead, holders will be permitted to act only to the extent they receive appropriate proxies to do so from DTC or, if applicable, DTC's participants or indirect participants. Similarly, if the Issuer defaults on its obligations under the Registered Notes, as a holder of beneficial interests in the Global Certificates, holders will be restricted to acting through DTC or, if applicable, DTC's participants or indirect participants. The Issuer cannot assure holders that the procedures of DTC or DTC's nominees, participants or indirect participants will be adequate to allow them to exercise their rights under the Registered Notes in a timely manner.

Risk related to Notes denominated in Renminbi

The Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC

The Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between the Renminbi and foreign currencies despite the significant reduction over the years by the PRC government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of RMB trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in August 2011 to cover the entire PRC and to make RMB trade and other current account item settlement available worldwide.

For further details in respect of remittance of Renminbi into and outside the PRC, see "Remittance of Renminbi into and outside the PRC".

There is no assurance that the PRC government will continue gradually to liberalise the control over cross-border RMB remittances in the future, that the pilot scheme introduced in July 2009 will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC.

Holders of beneficial interests in Notes denominated in Renminbi may be required to provide certifications and other information (including Renminbi account information) in order to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the CNH Notes and the Issuer's ability to source Renminbi outside the PRC to service CNH Notes

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. Since February 2004, in accordance with arrangements between the PRC central government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi-denominated banking services to Hong Kong residents and specified business customers. The People's Bank of China (“PBOC”), the central bank of the PRC, has also established a Renminbi clearing and settlement system for participating banks in Hong Kong. On 19 July 2010, further amendments were made to the settlement agreement on the Clearing of RMB Business (the “Settlement Agreement”) between the PBOC and the Bank of China (Hong Kong) Limited (the “RMB Clearing Bank”) to expand further the scope of RMB business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open RMB accounts in Hong Kong; there is no longer any limit on the ability of corporations to convert RMB; and there will no longer be any restriction on the transfer of RMB funds between different accounts in Hong Kong.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. As at 31 January 2012, the total amount of Renminbi deposits held by institutions authorised to engage in Renminbi banking business in Hong Kong amounted to approximately RMB576 billion. In addition, participating banks are also required by the Hong Kong Monetary Authority to maintain a total amount of Renminbi (in the form of cash and its settlement account balance with the RMB Clearing Bank) of no less than 25 per cent. of their Renminbi deposits, which further limits the availability of Renminbi that participating banks can utilise for conversion services for their customers. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The RMB Clearing Bank only has access to onshore liquidity support from PBOC to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement and for individual customers of up to RMB20,000 per person per day. The RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreement will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of the CNH Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service the CNH Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in the CNH Notes is subject to exchange rate risks and the Issuer may make payments of interest and principal in U.S. dollars in certain circumstances

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. In addition, although the Issuer's primary obligation is to make all payments of interest and principal or other amounts with respect to the CNH Notes in Renminbi, in certain circumstances, and if so specified, the terms of the Notes allow the Issuer to delay any such payment and/or make payment in U.S. dollars or another specified currency at the prevailing spot rate of exchange, and/or cancel or redeem such Notes, all as provided for in more detail in the Notes (see Condition 12(g)). As a result, the value of these Renminbi payments may vary with the prevailing exchange rates in the marketplace. If the value of the Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of a CNH Noteholder's investment in U.S. dollars or other applicable foreign currency terms will decline.

Payments in respect of the CNH Notes will only be made to investors in the manner specified in the CNH Notes

All payments to investors in respect of the CNH Notes will be made solely by (i) when CNH Notes are represented by a Global Note or a Global Certificate, transfer to a Renminbi bank account maintained in Hong Kong, in accordance with prevailing CMU rules and procedures, or (ii) when CNH Notes are in definitive form, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in bank notes, by cheque or draft, or by transfer to a bank account in the PRC).

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk³:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at all or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Notes issued under the Programme may or may not be listed on a stock exchange or regulated market. In cases where Notes are not listed, pricing information may be more difficult to obtain, and the liquidity and market prices of such Notes may be adversely affected.

If additional Notes are subsequently issued, the supply of such Notes in the market will increase and may cause the price at which the relevant Notes trade in the secondary market to decline significantly.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined in the Terms and Conditions of the Notes). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency-equivalent value of the principal payable on the Notes and (c) the Investor's Currency-equivalent market value of the Notes. If the Notes are denominated in a currency other than the currency of the country in which the Noteholder is resident, the Noteholder is exposed to the risk of fluctuations in the exchange rate between the two aforementioned currencies. The Noteholder may also be exposed to a foreign exchange risk if the reference obligation is denominated, or based on prices, in a currency other than the currency in which the relevant Note is denominated. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

³ Other risks may exist that are currently not known or that, based on today's knowledge, are not deemed to be material enough to be included in this section.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) Notes are legal investments for it, (b) Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus is to be read in conjunction with the relevant Final Terms and the following documents which have been previously published or are published simultaneously with this Base Prospectus and that have been approved by the AFM or filed with it and shall be incorporated in, and form part of, this Base Prospectus:

- (a) the Terms and Conditions of Notes as set forth in the base prospectus of the Issuer, dated 1 July 2005, 27 December 2005, 22 December 2006, 24 December 2007, 22 December 2008, 21 December 2009, 22 September 2010 and 22 September 2011, in respect of Notes (e.g. second and further tranche issues) if such Notes are to be consolidated and form a single series with the aforementioned notes;
- (b) the audited statutory financial statements of Rabobank Nederland for the years ended 31 December 2009, 2010 and 2011 (together with the explanatory notes) and the independent auditor's reports in respect thereof;
- (c) the audited consolidated financial statements of Rabobank Group for the years ended 31 December 2009, 2010 and 2011 (together with the explanatory notes) and the independent auditor's reports in respect thereof and the independent assurance reports included therein;
- (d) the annual reports of Rabobank Group for the years ended 31 December 2009, 2010 and 2011; and
- (e) the most recent articles of association of the Issuer (as at the date of this Base Prospectus, last amended on 23 June 2011).

Any statement contained in this Base Prospectus or in any of the documents incorporated by reference in, and forming part of, this Base Prospectus shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document which is subsequently incorporated by reference herein by way of a supplement prepared in accordance with Article 16 of the Prospectus Directive modifies or supersedes such statement. Those parts of the documents incorporated by reference in this Base Prospectus which are not specifically incorporated by reference in this Base Prospectus are either not relevant for prospective investors in the Notes or the relevant information is included elsewhere in this Base Prospectus.

The Issuer will provide, without charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the request of such person, a copy of any or all of the documents incorporated herein by reference, unless such documents have been modified or superseded as specified above, in which case the modified or superseded version of such document will be provided. Requests for such documents should be directed to the Issuer at its office set out at the end of this Base Prospectus (E-mail: ir@rabobank.com; Telephone No.: +31 (0)30 712 24 01). In addition, such documents will be available, without charge, from the principal office in the Netherlands of Rabobank International (as Euronext Amsterdam Listing Agent), the offices of the Paying Agents and the website of the Issuer (www.rabobank.com/ir under Corporate Governance and Funding and Funding Programmes). More information on the Programme can be found under Funding and Funding Programmes on such website. Annual reports and financial statements can be downloaded at www.annualreportsrabobank.com.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of the Notes.

The content of websites referenced in this Base Prospectus do not form part of this Base Prospectus.

IMPORTANT INFORMATION

This Base Prospectus is a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and the Dutch securities laws. In addition, this Base Prospectus constitutes an issuance programme for the purposes of Article 22 of the Additional Rules for the Listing of Derivatives of the SIX Swiss Exchange and the applicable provisions of the Listing Rules of the SIX Swiss Exchange.

The Issuer (the “**Responsible Person**”) accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Subject as provided in the relevant Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the relevant Final Terms as the relevant Dealer and the persons named in or identifiable according to the relevant Final Terms as the Financial Intermediaries, as the case may be.

Certain information under the headings “Clearing and Settlement” and “Description of business of Rabobank Group” has been extracted from, in the case of the information under the heading “Clearing and Settlement”, information provided by the clearing systems referred to therein, and, in the case of the information under the heading “Description of Business of Rabobank Group”, from *The Banker* magazine, the Dutch Land Registry Office (*Kadaster*) and Statistics Netherlands (*Centraal Bureau voor de Statistiek*). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant clearing systems, *The Banker* magazine, the Dutch Land Registry Office (*Kadaster*) and Statistics Netherlands (*Centraal Bureau voor de Statistiek*), no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference”) and read and construed on the basis that such documents are incorporated in and form part of this Base Prospectus.

The distribution of this Base Prospectus and any Final Terms and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms come are required by the Issuer and the Dealers to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States and are being sold pursuant to an exemption from the registration requirements of such Act. The Notes include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered or sold or, in the case of Notes in bearer form, delivered within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act (“**Regulation S**”).

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S and (in the case of Registered Notes) within the United States to QIBs as defined in, and in reliance on, Rule 144A. Prospective purchasers are hereby notified that sellers of Notes may be relying on an exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of Notes and on distribution of this Base Prospectus or any Final Terms or any other offering material relating to the Notes, see “Subscription and Sale” and “Transfer Restrictions”.

This Base Prospectus is being submitted on a confidential basis in the United States to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or

reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

The Notes have not been approved or disapproved by the SEC, any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Notes or the accuracy or adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States.

The Dealer(s) (excluding Rabobank International) have not independently verified the information contained in this Base Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers, other than Rabobank International, as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Notes or any other information provided by the Issuer in connection with the Notes. No Dealer, other than Rabobank International, accepts any liability in relation to the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Notes.

No person is or has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create an implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and of the terms of such Notes (see “Risk Factors”). This Base Prospectus does not describe all of the risks of an investment in the Notes, but all material risks known to the Issuer as at the date of this Base Prospectus have been described herein. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Distribution of this Base Prospectus and any Final Terms and the offering, sale or delivery of any Notes in certain jurisdictions may be restricted by law.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the Code and the regulations promulgated thereunder.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in jurisdictions other than the Netherlands. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the relevant Final Terms, no action has been taken by the Issuer or the Dealer(s) which would permit a public offering of any Notes outside the Netherlands or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any such jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and Dealer(s) to inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus or any Final Terms and the offering and sale of Notes. See “Subscription and Sale”.

This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (b) in the following sentence may apply, any offer of Notes in any member state of the European Economic Area which has implemented the Prospectus Directive (each a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by the Final Terms in relation to the offer of those Notes may only do so (a) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (b) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable. Except to the extent sub-paragraph (b) above may apply, neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

The Issuer maintains its financial books and records and prepares its financial statements in euro in accordance with International Financial Reporting Standards (“**IFRS**”) as adopted by the European Commission, which differ in certain important respects from generally accepted accounting principles in the United States (“**U.S. GAAP**”).

All figures in this Base Prospectus have not been audited, unless stated otherwise, and are internal figures of Rabobank Nederland or Rabobank Group. The financial data in this Base Prospectus has been extracted from the audited consolidated financial statements of Rabobank Group, the annual report of Rabobank Group for the year 2011, unless stated otherwise.

All references in this document to “U.S.\$”, “U.S. dollars” and “USD” are to the lawful currency of the United States of America, to “Swiss franc” and “CHF” are to the lawful currency of the Swiss Confederation and the Principality of Liechtenstein, to “GBP” are to the lawful currency of the United Kingdom of Great Britain and Northern Ireland, to “€”, “euro” and “EUR” are to the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the European Union (the “**EC Member States**”) and to

“Renminbi”, “RMB” and “CNY” are to the lawful currency of the People’s Republic of China excluding Taiwan and the Hong Kong and Macau Special Administrative Regions (the “PRC”). References to “CNH Notes” are to Notes denominated in CNY or Renminbi deliverable in Hong Kong.

From time to time the credit rating agencies may revise outlooks on their ratings of the Issuer or the Issuer’s securities. Unless required by applicable law, the Issuer might not prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent offer of the Notes in the event that one or more of these credit rating agencies revise their ratings outlook on the Issuer or the Issuer’s securities.

In connection with the issue of any tranche of a Series of Notes (a “**Tranche**”), the Dealer or Dealers (if any) named as the stabilising manager(s) (the “**Stabilising Manager(s)**”) (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

TO NEW HAMPSHIRE RESIDENTS: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED (RSA) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Available information under Rule 144A

Rabobank Nederland is exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Securities Exchange Act of 1934 (the “**Exchange Act**”). As long as Rabobank Nederland is exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, it will furnish its Annual Report and certain other periodic reports and information to the SEC. At such time of filing, Rabobank Nederland will be exempt from providing the information required under Rule 144A(d)(4) described in the paragraph below.

Rabobank Nederland has agreed that, for so long as any Notes issued by it are “**restricted securities**” within the meaning of Rule 144(a)(3) under the Securities Act, it will, during any period in which it is neither subject to section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act. Rabobank Nederland is not, nor does it intend to become, a reporting company under section 13 or section 15(d) of the Exchange Act. Any such request for information should be directed to Rabobank Nederland at its office set out at the end of this Base Prospectus.

Presentation of financial information

The audited consolidated financial statements for the years ended 31 December 2009, 31 December 2010 and 31 December 2011 and the corresponding summary figures incorporated by reference in this Base Prospectus have been prepared in accordance with International Financial Reporting Standards as adopted by the EU pursuant to EU Regulation No. 1606/2002 (IFRS). The effective date of the most recently published annual report is 31 December 2011.

Change in accounting policies and certain restatements

As a result of changes in accounting policies and presentation, certain figures for Rabobank Group for the year ended 31 December 2010 in this Base Prospectus have been restated.

See the Rabobank Group consolidated financial statements 2011, under note 2.1.1 “Change in accounting policies and presentation” for further information.

Forward-looking statements

This Base Prospectus includes “**forward-looking statements**” within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. All statements other than statements of historical facts included in this Base Prospectus, including, without limitation, those regarding the Issuer’s financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Issuer’s products), are forward-looking statements.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer’s present and future business strategies and the environment in which the Issuer will operate in the future.

The important factors that could cause the Issuer’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, changes or downturns in the Dutch economy or the economies in other countries in which the Issuer conducts business and the impact of fluctuations in foreign exchange rates and interest rates.

These forward-looking statements speak only as of the date of this Base Prospectus. Other than as required by law or the rules and regulations of the relevant stock exchange, the Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Special considerations

Index Linked Notes are not in any way sponsored, endorsed, sold or promoted by the Index Sponsor and the Index Sponsor makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the Index and/or the figure at which the Index stands at any particular time on any particular day or otherwise. Each Index is calculated by a third party independent from the Issuer and, therefore, the Issuer will not accept any liability for any act or failure to act by the relevant Index Sponsor in connection with, among other things, the calculation, adjustment, maintenance or cancellation of the Index.

Equity Linked Notes are not in any way sponsored, endorsed, sold or promoted by the Equity Issuer and the Equity Issuer makes no warranty or representation whatsoever, express or implied, as to the future performance of the Equities.

With respect to Currency Linked Notes, the Issuer makes no warranty or representation whatsoever, expressed or implied, as to the future performance of the relevant currency rate(s) or the value or level derived from a formula or index relating to one or more currency rate(s) or a combination thereof.

The Issuer, including its branches and any group company, is acting solely in the capacity of an arm's length contractual counterparty and not as a purchaser's financial adviser or fiduciary in any transaction unless the Issuer has agreed to do so in writing.

A prospective purchaser may not rely on the Issuer, the Dealers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above and none of the Issuer nor the Dealers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer may from time to time issue Notes denominated in any currency agreed by the Issuer and the relevant Dealer(s) having maturities of one week or longer (or such other minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant currency). A description of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer(s) prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as modified and supplemented by the relevant Final Terms attached to, or endorsed on, such Notes, as more fully described under “Terms and Conditions of the Notes” below.

This Base Prospectus (together with the relevant Final Terms, and supplements, if any) will be valid for unlisted Notes or for listing or admission to trading of Notes on Euronext Amsterdam or the Regulated Market of the Luxembourg Stock Exchange, the SIX Swiss Exchange or any other stock exchange during the period of 12 months from the date of this Base Prospectus in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed EUR 15,000,000,000 or its equivalent in other currencies. For the purpose of calculating the euro equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (a) the euro equivalent of Notes denominated in a Specified Currency other than euro (as specified in the relevant Final Terms in relation to the relevant Notes, described in the “Summary of the Programme” under “Form of Notes”) shall be determined, at the discretion of the Issuer, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the euro against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank agreed between the Issuer and the relevant Dealer(s) on the relevant day of calculation;
- (b) the euro equivalent of Notes in respect of which no interest is due prior to the Maturity Date (as specified in the relevant Final Terms in relation to the relevant Notes, described in the “Summary of the Programme” under “Form of Notes”) and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue; and
- (c) the euro equivalent of Dual Currency Notes (as specified in the relevant Final Terms in relation to the relevant Notes, described in the “Summary of the Programme” under “Form of Notes”) shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes.

FORM OF FINAL TERMS (LESS THAN EUR 100,000)

*(Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a **denomination of less than EUR 100,000** (or its equivalent in another currency).)*

FINAL TERMS

Date: [●]

COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A. (RABOBANK STRUCTURED PRODUCTS)

**Issue of [aggregate nominal amount of Tranche] [Title of Notes] (the “Notes”)
pursuant to the EUR 15,000,000,000 Structured Medium Term Note Programme**

[IN NO CIRCUMSTANCES MAY THE NOTES BE REDEEMED BY THE ISSUER AT THE MATURITY DATE FOR LESS THAN THE PROTECTION AMOUNT, EXCEPT THAT IN THE EVENT OF INSOLVENCY OF THE ISSUER OR IN THE EVENT OF AN EARLY REDEMPTION PURSUANT TO TERMS AND CONDITIONS 5(b), 5(e), 5(h), [7(b)]¹, [8(b)]², [9(c)]³, [10(b)]⁴ OR 15 THE NOTES MAY BE REDEEMED AT LESS THAN THE PROTECTION AMOUNT.]⁵

THE ISSUER HAS MADE NO INVESTIGATION INTO THE TREATMENT OF THE NOTES BY THE TAX AUTHORITIES OF ANY COUNTRY, INCLUDING THE UNITED STATES OF AMERICA. INVESTORS ARE STRONGLY ADVISED TO TAKE THEIR OWN TAX ADVICE.

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in paragraph (ii) below, any offer of Notes in any member state of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in paragraph 46 of Part A below, provided such person is one of the persons mentioned in paragraph 46 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]⁶

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any member state of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]⁷

¹ Insert if Index Linked Notes.

² Insert if Equity Linked Notes.

³ Insert if Fund Linked Notes.

⁴ Insert if Commodity Linked Notes.

⁵ Insert if Protection Amount is applicable.

⁶ Consider including this legend where a non-exempt offer of Notes is anticipated.

⁷ Consider including this legend where only an exempt offer of Notes is anticipated.

[The Notes will not be offered to the public in or from Switzerland and neither these Final Terms nor any other document relating to the Notes may be publicly distributed in Switzerland in connection with any such offering or distribution. The Notes may be offered in Switzerland without any public promotion or advertisement only to selected qualified investors in accordance with the Swiss Federal Act on Collective Investment Schemes.]⁸

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions set forth in the Base Prospectus dated 22 June 2012 [and the supplementary prospectus[es] dated [●]] (the “**Conditions**”), which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus[, as supplemented]. [These Final Terms constitute the final terms pursuant to Article 21 of the Additional Rules for the Listing of Derivatives of the SIX Swiss Exchange. The Base Prospectus[, as supplemented], which has been approved by the SIX Swiss Exchange as an issuance programme within the meaning of the Additional Rules for the Listing of Derivatives of the SIX Swiss Exchange together with these Final Terms constitute the complete listing prospectus for the Notes.]⁹ Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus[, as supplemented]. The Notes will be issued on the terms of these Final Terms read together with the Base Prospectus [, as supplemented]. The Issuer accepts responsibility for the information contained in these Final Terms which, when read together with the Base Prospectus[, as supplemented], contains all information that is material in the context of the issue of the Notes. The Base Prospectus [and the supplementary prospectus[es]] [is] [are] available for viewing during normal business hours and may be obtained from Rabobank International at Croeselaan 18, 3521 CB Utrecht, The Netherlands (E-mail: ir@rabobank.com; Telephone No.: +31 (0)30 712 24 01), the offices of the Paying Agents and the Issuer’s website (www.rabobank.com/ir under Corporate Governance and Funding and Funding Programmes). More information on the Programme can be found under Funding and Funding Programmes on such website. Annual reports and financial statements can be downloaded at www.annualreportsrabobank.com.

(The following alternative language applies if the first tranche of an issue which is being increased (a further issue pursuant to Condition 19) was issued under a Base Prospectus with an earlier date.)

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions set forth in the [offering circular/base prospectus] dated [22 September 2011][22 September 2010][21 December 2009][22 December 2008][24 December 2007][22 December 2006][27 December 2005][1 July 2005] [and the supplementary prospectus[es] dated [●]] (the “**Conditions**”) which are incorporated by reference in the Base Prospectus dated 22 June 2012. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated 22 June 2012 [and the supplementary prospectus[es] dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the terms and conditions set forth therein. [These Final Terms constitute the final terms pursuant to Article 21 of the Additional Rules for the Listing of Derivatives of the SIX Swiss Exchange. The Base Prospectus[, as supplemented], which has been approved by the SIX Swiss Exchange as an issuance programme within the meaning of the Additional Rules for the Listing of Derivatives of the SIX Swiss Exchange together with these Final Terms constitute the complete listing prospectus for the Notes.]¹⁰ Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus dated 22 June 2012 [, as supplemented,] and the Conditions. The applicable [offering circular/base prospectus] containing the Conditions[, and the] Base Prospectus [and the supplementary

⁸ Insert if the Notes are privately placed into Switzerland, delete if the Notes are listed on the SIX Swiss Exchange or publicly offered into Switzerland.

⁹ Insert if the Notes are to be listed on the SIX Swiss Exchange.

¹⁰ Insert if the Notes are to be listed on the SIX Swiss Exchange.

prospectus[es]] [is][are] available for viewing during normal business hours and may be obtained from Rabobank International at Croeselaan 18, 3521 CB Utrecht, The Netherlands (E-mail: ir@rabobank.com; Telephone No.: +31 (0)30 712 24 01), the offices of the Paying Agents and the Issuer's website (www.rabobank.com/ir under Corporate Governance and Funding and Funding Programmes). More information on the Programme can be found under Funding and Funding Programmes on such website. Annual reports and financial statements can be downloaded at www.annualreportsrabobank.com.]

(The following alternative language applies if Notes are issued pursuant to Rule 144A.)

[THE NOTES REFERRED TO HEREIN THAT ARE REPRESENTED BY A GLOBAL CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF NOTES REPRESENTED BY A GLOBAL CERTIFICATE.]

These Final Terms do not constitute an offer to sell or the solicitation of an offer to buy any Notes other than the Notes to which they relate or an offer to sell or the solicitation of an offer to buy Notes by any person in any circumstances in which such offer or solicitation is unlawful.

The distribution of these Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession these Final Terms come are required by the Issuer to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on the offering and sale of the Series, see “Subscription and Sale” in the Base Prospectus as supplemented or amended by these Final Terms.

The information contained in these Final Terms does not constitute an investment recommendation.

The Notes do not constitute a participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes (“CISA”) and thus do not require an authorization, and are not subject to the supervision, of the Swiss Financial Market Supervisory Authority (FINMA). Accordingly, prospective investors in the Notes are not eligible for the specific investor protection provided under the CISA.¹¹

The purchase of Notes may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of Notes should consider carefully, in the light of their own financial circumstances and investment objectives, all the information set forth in these Final Terms and the Base Prospectus, as supplemented from time to time.

[A [Dutch] language description of the principal terms of the Notes is contained in Annex I hereto.]

(Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-

¹¹

Insert if Notes are offered into Switzerland

paragraphs, save in respect of the paragraphs in Part B, which may be deleted if “Not Applicable”. Italics denote directions for completing the Final Terms and should be deleted upon finalisation.)

(When adding any other terms, risk warnings or information, consideration should be given as to whether such terms, risk warnings or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

- | | | |
|---|--|---|
| 1 | Issuer: | Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Structured Products) |
| 2 | (a) Series Number: | [●] |
| | (b) Tranche Number: | [●] |
| | | <i>(If fungible with an existing Tranche insert:)</i>
[The Notes issued pursuant to these Final Terms will be consolidated and form a single series with [●] <i>(insert title of original Notes)</i> (the “ Tranche 1 Notes ”), issued pursuant to the Final Terms dated [●], with effect from [●] <i>(insert the Issue Date)</i> /[●] <i>(insert a date no earlier than 40 days after the Issue Date of Tranche 2 Notes)</i>] |
| 3 | [(a)] Specified Currency or Currencies:
[(b) CNY Currency Event:
[(c) Relevant Currency:]] | [●]

[[Applicable]][Not Applicable]]
[[●]] |
| 4 | Aggregate nominal amount: | [●]

<i>(The aggregate nominal amount of the Notes will depend on the amount of Notes subscribed for during the Offer Period. Any increase or decrease will be published as soon as practicable after the Offer Period (as further set out in paragraph 14 of Part B))</i> |
| | (a) Series: | [●] |
| | (b) Tranche: | [●] |
| 5 | Issue Price of Tranche: | [●] per cent. [of the aggregate nominal amount, provided that the Issue Price will depend on general market conditions subsequent to the end of the Offer Period and will be published as soon as practicable after the Offer Period]/[plus accrued interest from [●] <i>(insert date)</i> <i>(in the case of fungible issues only, if applicable)</i>] |
| 6 | (a) Specified Denominations ¹² : | [●]

<i>(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive, the €[1,000] minimum denomination is</i> |

¹²

Although Rabobank Structured Products may issue Notes with a denomination of less than €100,000 or equivalent, where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed “[€100,000] and integral multiples of [€1,000] in excess thereof, up to and including [€199,000]. No Notes in definitive form will be issued with a denomination of above [€199,000].

		not required)
		<i>(Notes (including Notes denominated in Sterling), in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year; must have a minimum denomination of £100,000 (or its equivalent in other Specified Currencies))</i>
	(b) Calculation Amount:	<p>[●]</p> <p><i>(If there is only one Specified Denomination, insert that Specified Denomination)</i></p> <p><i>(If there is more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations)</i></p>
7	(a) Issue Date:	[●]
	(b) Interest Commencement Date:	[[●] (Specify)/The Issue Date/Not Applicable]
8	Maturity Date or Redemption Month:	<p>[●]/[Fixed Rate - [●] (Specify date)]/[Floating Rate - Interest Payment Date falling in or nearest to [●] (Specify month)] (the “Scheduled Maturity Date”)</p> <p>[subject as provided in [Condition 11(d)] [./and] [Condition 11(e)] [and] [Condition 11(f)]](Include for Credit Linked Notes)]</p> <p><i>(In the case of Index Linked Notes, Equity Linked Notes, Commodity Linked Notes or Fund Linked Notes, consider providing for postponement of Maturity Date if (i) the final Valuation Date is postponed by reason of a Market Disruption Event or (ii) there is a Settlement Disruption Event)</i></p> <p><i>(N.B. It will be necessary to use the option “Floating Rate – Interest Payment Date falling in or nearest to [●] (Specify month)” for Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification.)</i></p>
9	Interest Basis:	<p>[[●] per cent. Fixed Rate]/</p> <p>[[LIBOR/EURIBOR/[●] (Specify other)] +/-][●] per cent. Floating Rate]/</p> <p>[Zero Coupon]/</p> <p>[Currency Linked Interest]/</p> <p>[Commodity Linked Interest]/</p> <p>[Equity Linked Interest]/</p> <p>[Index Linked Interest]/</p> <p>[Credit Linked Interest]/</p> <p>[Fund Linked Interest]/</p> <p>[Dual Currency Interest]/</p> <p>[Non-interest bearing]/</p> <p>[[●] (Specify other)]</p> <p><i>(Further particulars specified below)</i></p>
10	(a) Redemption/Payment Basis:	[Redemption at par]/

		[Currency Linked Redemption]/ [Commodity Linked Redemption]/ [Equity Linked Redemption]/ [Index Linked Redemption]/ [Credit Linked Redemption]/ [Fund Linked Redemption]/ [Dual Currency Redemption]/ [Partly Paid]/ [Instalment]/ [[●] (<i>Specify other</i>)] [See item [●] below (<i>Insert item relevant number</i>)] (<i>Further particulars specified below</i>)
	(b) Protection Amount:	[Principal Protection/[●] per cent. of the Specified Denomination/Not Applicable]
11	Change of Interest Basis or Redemption/Payment Basis:	[[●] (<i>Give details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis</i>)/Not Applicable]
12	Investor Put/Issuer Call/Obligatory Redemption:	[Investor Put Applicable/Issuer Call Applicable/Obligatory Redemption Applicable/Not Applicable] [See item [●] below (<i>Insert item relevant number</i>)] (<i>Further particulars specified below</i>)
13	(a) Status of the Notes:	[Senior and unsecured/Subordinated (<i>Give details</i>)]
	(b) Domestic Note:	[No/Yes]
	(if Domestic Note, there will be no gross-up for withholding tax)	
	(c) Date of approval for issuance of Notes:	[[●]/Not Applicable]
14	Method of distribution:	[Syndicated/Non-Syndicated]
GENERAL PROVISIONS RELATING TO THE INTEREST/REDEMPTION BASIS		
15	Currency Linked Note Provisions:	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
	Relevant Currency/Currencies: (each an “ Underlying ”):	[[●] (<i>Give details</i>)/See Schedule]
	Dual Currency Note Provisions:	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
	Relevant Currency/Currencies: (each an “ Underlying ”):	[[●] (<i>Give details</i>)/See Schedule]
16	Commodity Linked Note Provisions:	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
	(a) Whether the Notes relate to a single Commodity or a Basket of Commodities or Commodity Index or Basket of Commodity Indices (each an “ Underlying ”) and	[Single Commodity/Basket of Commodities/Commodity Index/Basket Commodity Indices] [[●] (<i>Give details</i>)/See Schedule] (<i>If a Basket of Commodities or Basket of</i>

identity of the relevant Commodity/Commodities or Commodity Index/Indices:	<p><i>Commodity Indices, give details for each Commodity or Commodity Index)</i></p> <p>[[See Schedule]]/</p> <p>(i) Commodity Reference Price: [●];</p> <p>(ii) Specified Commodity: [●];</p> <p><i>(Include type or grade if relevant, the location of delivery and any other details)</i></p> <p>(iii) Unit: [●];</p> <p>(iv) Exchange: [●];</p> <p>(v) Relevant Currency: [●];</p> <p>(vi) Specified Price: [●];</p> <p>(vii) Delivery Date: [[●]/Not Applicable]]/</p> <p><i>(The price for a Pricing Date will be that day's Specified Price per Unit of that Commodity on that Exchange and, if applicable, for delivery on that Delivery Date, stated in that currency, as announced or published by that Exchange on the Pricing Date)</i></p> <p>(i) Commodity Reference Price: [●];</p> <p>(ii) Specified Commodity: [●];</p> <p><i>(Include type or grade if relevant, the location of delivery and any other details)</i></p> <p>(iii) Unit: [●];</p> <p>(iv) Price Source: [●];</p> <p>(v) Reference Dealers: [[●]/Not Applicable];</p> <p>(vi) Heading: [●];</p> <p>(vii) Relevant Currency: [●];</p> <p>(viii) Specified Price: [●];</p> <p>(ix) Delivery Date: [[●]/Not Applicable]]</p> <p><i>(The price for a Pricing Date will be that day's Specified Price per Unit of that Commodity and, if applicable, for delivery on that Delivery Date, stated in that currency, published (or shown) in the issue of the Price Source that reports prices effective on that Pricing Date)</i></p>
(b) Name of Index Sponsor(s):	[●]
(c) Coupon Observation Period(s):	[[●] (Give details)/Not Applicable]
(d) Coupon Observation Date(s):	[[●] (Give details)/Not Applicable]
(e) Coupon Observation Time(s):	[[●] (Give details)/Not Applicable]
(f) Initial Fixing Date(s):	[[●] (Give date)/Not Applicable]
(g) Initial Level:	[[●] (Give details)/Not Applicable]
(h) Strike:	[[●] per cent. of the Initial Level (Give details)/Not Applicable]
(i) Valuation Date(s):	[[●] (Give details)/Not Applicable]
(j) Averaging Date(s) in respect of:	[[●] (Give details)/Not Applicable]
	<i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
[Initial Fixing Date(s):]	[[●]]
[Coupon Observation Date(s):]	[[●]]

[Obligatory Redemption Observation Date(s):]	[[●]]
[Final Redemption Barrier Observation Date(s):]	[[●]]
[Final Redemption Observation Date(s):]	[Valuation Date/[●] (<i>Specify other</i>)]
[Adjustment provisions in the event of a Disrupted Day:]	[Omission/Postponement/Modified Postponement] (<i>N.B. only applicable where Averaging Date(s) are specified</i>)
(k) Valuation Time:	[As set out in Condition 10(c)/[●] (<i>Specify other</i>)]
(l) Disrupted Day:	[Applicable/Not Applicable] (<i>If applicable, consider provisions for calculation of the Commodity Reference Price if a Disrupted Day occurs which are included in Condition 10(c) and, if they are not, insert appropriate provisions</i>)
(m) Disruption Fallback:	[Fallback Reference Dealers] [Fallback Reference Price] [Postponement] [Calculation Agent Determination] [Delayed Publication or Announcement] (<i>delete as applicable and place in preferred order</i>)/[In the following order: (a) Delayed Publication or Announcement and Postponement (each to operate concurrently with the other and each subject to a period of the applicable Maximum Days of Disruption; provided, however, that the price determined by Postponement shall be the Relevant Commodity Price only if Delayed Publication or Announcement does not yield a Relevant Price within the period of the applicable Maximum Days of Disruption); and (b) Calculation Agent Determination.]
(n) Maximum Number of Days of Disruption	[2 days/[●] (<i>Give details</i>)/Not Applicable] (<i>The Conditions will apply the number of days specified to be consecutive Commodity Business Days or, if Bullion, consecutive Bullion Business Days</i>)
(o) Trade Date:	[Issue Date (<i>if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date</i>)/[●] (<i>Insert Trade Date of related swap transaction (if different from Issue Date)</i>)]
(p) Exchange(s):	[●]
(q) Exchange Rate:	[Applicable/Not Applicable] (<i>If applicable, insert details</i>)
(r) Additional Disruption Events:	[Applicable/Not Applicable] (<i>If applicable, specify which of the following events are applicable</i>)

		[Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [[●] (<i>Specify other</i>)]
(s)	Price Materiality Percentage	[[●] per cent. (<i>Give details</i>)/Not Applicable]
(t)	Multiplier for each of the Commodities/Commodity Indices comprising the Basket of Commodities/Commodity Indices:	[[●] (<i>Give details</i>)/Not Applicable]
17	Index Linked Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(a)	Whether the Notes relate to a single Index or a Basket of Indices (each an “ Underlying ”), the identity of the relevant Index/Indices and whether such Index/Indices is/are a Multi-Exchange Index:	[Single Index/Basket of Indices] <i>(If a Basket of Indices, give details for each Index)</i> Index/Indices: [[●] (<i>Give details</i>) (Bloomberg® code: [●])/See Schedule] Multi-Exchange Index: [Applicable/Not Applicable] <i>(N.B. Multi-Exchange Index should apply to any Index in respect of which there is more than one Exchange, e.g. a EURO STOXX index)</i>
(b)	Name of Index Sponsor(s):	[●]
(c)	Coupon Observation Period(s):	[[●] (<i>Give details</i>)/Not Applicable]
(d)	Coupon Observation Date(s):	[[●] (<i>Give details</i>)/Not Applicable]
(e)	Coupon Observation Time(s):	[[●] (<i>Give details</i>)/Not Applicable]
(f)	Valuation Date(s):	[[●] (<i>Give details</i>)/Not Applicable]
(g)	Averaging Date(s) in respect of:	[[●] (<i>Give details</i>)/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	[Initial Fixing Date(s):]	[[●]]
	[Coupon Observation Date(s):]	[[●]]
	[Obligatory Redemption Observation Date(s):]	[[●]]
	[Final Redemption Barrier Observation Date(s):]	[[●]]
	[Final Redemption Observation Date(s):]	[Valuation Date/[●] (<i>Specify other</i>)]
	[Adjustment provisions in the event of a Disrupted Day:]	[Omission/Postponement/Modified Postponement] <i>(N.B. only applicable where Averaging Date(s) are specified)</i>
(h)	Valuation Time:	[As set out in Condition 7(c)/[●] (<i>Specify other</i>)]
(i)	Disrupted Day:	[Applicable/Not Applicable] <i>(If applicable, consider provisions for calculation of the Reference Value if a Disrupted Day occurs which are included in Condition 7(c) and, if they are not, insert appropriate provisions)</i>

(j) Trade Date:	[Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date)/[●] (Insert Trade Date of related swap transaction (if different from Issue Date))]
(k) Initial Fixing Date:	[●]
(l) Initial Level:	[[●] (Give details)/Not Applicable]
(m) Strike:	[[●] per cent. of the Initial Level (Give details)/Not Applicable]
(n) Exchange(s):	[●]
(o) Related Exchange(s):	[All Exchanges/[●] (Give details)]
(p) Additional Disruption Events:	[Applicable/Not Applicable] <i>(If applicable, specify which of the following events are applicable)</i> [Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [[●] (Specify other)]
(q) Multiplier for each Index comprising the Basket of Indices:	[[●] (Give details)/Not Applicable]
18 Equity Linked Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(a) Whether the Notes relate to a single Equity or Basket of Equities (each an “ Underlying ”) and the identity of the Equity Issuer(s) of the relevant Equity/Equities:	[Single Equity/Basket of Equities] <i>(If a Basket of Equities, give details for each Equity, including details of Underlying Equities where applicable (this will be applicable where the Equities are ADRs or GDRs))</i> (i) Equity/Equities: [Existing [ordinary shares] of the Equity Issuer(s)]; (ii) Equity Issuer(s): [●] (Bloomberg® code: [●]); (iii) the ISIN/Common Code of Equity/Equities: [[●]/See Schedule] <i>(insert (iv) to (vii) below for ADRs/GDRs)</i> (iv) Underlying Equity/Equities: [●]; (v) Underlying Equity Issuer(s): [●]; (vi) the ISIN/Common Code of the Underlying Equity/Equities: [●]
(b) Partial Lookthrough Depositary Receipt Provisions:	[Applicable/Not Applicable] <i>(Applicable for Russian ADRs/GDRs)</i>
(c) Full Lookthrough Depositary Receipt Provisions:	[Applicable/Not Applicable]
(d) Exchange Traded Notes:	[Applicable/Not Applicable] <i>(If applicable, insert details)</i>
(e) [ETN Early Redemption Amount:]	[Applicable/Not Applicable]
(f) [ETN Event of Default:]	[Applicable/Not Applicable]

(g) Coupon Observation Period(s):	[[●] (<i>Give details</i>)/Not Applicable]
(h) Coupon Observation Date(s):	[[●] (<i>Give details</i>)/Not Applicable]
(i) Coupon Observation Time(s):	[[●] (<i>Give details</i>)/Not Applicable]
(j) Valuation Date(s):	[[●] (<i>Give details</i>)/Not Applicable]
(k) Averaging Date(s) in respect of:	[[●] (<i>Give details</i>)/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
[Initial Fixing Date(s):]	[[●]]
[Coupon Observation Date(s):]	[[●]]
[Obligatory Redemption Observation Date(s):]	[[●]]
[Final Redemption Barrier Observation Date(s):]	[[●]]
[Final Redemption Observation Date(s):]	[Valuation Date/[●] (<i>Specify other</i>)]
[Adjustment provisions in the event of a Disrupted Day:]	[Omission/Postponement/Modified Postponement] (<i>N.B. only applicable where Averaging Date(s) are specified</i>)
(l) Valuation Time:	[As set out in Condition 8(f)/[●] (<i>Specify other</i>)]
(m) Disrupted Day:	[Applicable/Not Applicable] (<i>If applicable, consider whether the provisions for calculation of the Reference Value if a Disrupted Day occurs which are included in Condition 8(f) are appropriate and, if they are not, insert appropriate provisions</i>)
(n) Trade Date:	[Issue Date (<i>if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date</i>)/[●] (<i>Insert Trade Date of related swap transaction (if different from Issue Date)</i>)]
(o) Initial Fixing Date:	[●]
(p) Initial Level:	[[●] (<i>Give details</i>)/Not Applicable]
(q) Strike:	[[●] per cent. of the Initial Level (<i>Give details</i>)/Not Applicable]
(r) Exchange(s):	[●]
(s) Related Exchange(s):	[All Exchanges/[●] (<i>Give details</i>)]
(t) Exchange Rate:	[Applicable/Not Applicable] (<i>If applicable, insert details</i>)
(u) Additional Disruption Events:	[Applicable/Not Applicable] (<i>If applicable, specify which of the following events are applicable</i>) [Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [Insolvency Filing] [[●] (<i>Specify other</i>)]

	(v) Multiplier for each Equity comprising the Basket of Equities (which is subject to adjustment as set out in Condition 8(b)):	[[●] (<i>Give details</i>)/Not Applicable]
19	Credit Linked Note Provisions:	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
	(a) Whether the Notes relate to a single Reference Entity or Basket of Reference Entities (each an “ Underlying ”) and the identity of the relevant Reference Entity/Entities:	[Single Reference Entity/Basket of Reference Entities] (<i>If a Basket of Reference Entities, give details for each Reference Entity including Transaction Types, Reference Entity Notional Amount and Reference Entity Applicable Percentage</i>)
	Transaction Type(s):	[[●] (<i>Give details</i>)/See Schedule] [[●] (<i>Give details</i>)/Not Applicable] (<i>Specify Transaction Type(s) where “Physical Settlement Matrix Standard Terms” is applicable</i>)
	(b) Fixed Number of Reference Entities:	[Applicable/Not Applicable]
	(c) Succession Event Backstop Date:	[Applicable/Not Applicable]
	(d) Reference Obligation Obligations:	[[●] (<i>Give details</i>)/Not Applicable]
	(e) [The obligation(s) identified as follows:	[●]
	Primary Obligor:	[●]
	Guarantor:	[●]
	Maturity:	[●]
	Coupon:	[●]
	CUSIP/ISIN:	[●]]
	(f) All Guarantees:	[With respect to each Reference Entity, as specified in the Physical Settlement Matrix/Applicable/Not Applicable] Provisions relating to Qualifying Guarantee and Underlying Obligation: [Applicable/Not Applicable]
	(g) Credit Events:	[With respect to each Reference Entity, as specified in the Physical Settlement Matrix]
		(Where the Physical Settlement Matrix Standard Terms apply, specify whether “Restructuring” is applicable in the case of a North American Corporate Transaction Type or Standard North American Corporate Transaction Type)
		[Bankruptcy] [Failure to Pay] [Grace Period Extension: Applicable/Not Applicable] [(If Applicable:) Grace Period: [●]]

	[Obligation Default] [Obligation Acceleration] [Repudiation/Moratorium] [Restructuring] [(If Restructuring is applicable:) Multiple Credit Events: Condition 11(l)(i) [Applicable/Not Applicable] Multiple Holder Obligation: Condition 11(l)(ix) [Applicable/Not Applicable] Restructuring Maturity Limitation and Fully Transferable Obligation: [Applicable/Not Applicable] Modified Restructuring Maturity Limitation and Conditionality Transferable Obligation Multiple Credit Events: Condition 11(l)(i) [Applicable/Not Applicable]]
	[Other]
(h) Default Requirement:	[●]
(i) Payment Requirement:	[●]
(j) Credit Event Backstop Date:	[Applicable/Not Applicable]
(k) Conditions to Settlement:	Credit Event Notice
	Notice of Publicly Available Information [Applicable/Not Applicable] [(If Applicable:) [Public Source(s): [As per Condition 11(p)/[●] (Specify other)] Specified Number: [●]]
	[Other Physical Settlement Matrix Terms apply (if any)]
(l) Event Determination Date:	[Event Determination Date Version A] (<i>This is equivalent to a CDS with two Notifying Parties</i>)
	[Event Determination Date Version B] (<i>This is equivalent to a CDS with one Notifying Party</i>)
(m) Obligation(s):	[●]
(n) Obligation Category: (select one only)	[With respect to each Reference Entity, as specified in the Physical Settlement Matrix]
	[Payment] [Borrowed Money] [Reference Obligations Only] [Bond] [Loan] [Bond or Loan]
(o) Obligation Characteristics:	[With respect to each Reference Entity, as specified in the Physical Settlement Matrix]

(select all of which apply)

- [Not Subordinated]
 [Specified Currency: [●] (*Specify currency*)]
 [Standard Specified Currencies]
 [Not Sovereign Lender]
 [Not Domestic Currency:]
 [Domestic Currency means: [●] (*Specify currency*)]
 [Not Domestic Law]
 [Listed]
 [Not Domestic Insurance]
- (p) Additional Obligation(s): [●]
- (q) Excluded Obligations(s): [●]
- (r) Accrual of Interest upon Credit Event: [Applicable/Not Applicable]
- (s) Merger Event: [Applicable/Not Applicable]
- (t) Unwind Costs: [Standard Unwind Costs/[●] (*Give details*)/Not Applicable]
- (u) Trade Date: [Issue Date (*if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date*)/[●] (*Insert Trade Date of related swap transaction (if different from Issue Date)*)]
- (v) Specified Business Centre(s): [●]
- (w) Calculation Agent responsible for making calculations and determination pursuant to Condition 11: [●]
- (x) Calculation Agent City: [●]
- (y) **Terms relating to Cash Settlement:** [Applicable/Not Applicable]
 (*If not applicable, delete terms below relating to Cash Settlement*)
- (z) Credit Event Redemption Amount: [[●] (*Express per Calculation Amount*)/As specified in Condition 11(p)]
 [The Credit Event Redemption Amount in respect of each Calculation Amount shall be rounded to the nearest 0.01 in the Specified Currency with 0.005 rounded [up]wards]
 [See Schedule]
- (aa) Credit Event Redemption Date: [[●] Business Days/As specified in Condition 11(p)]
- (bb) Valuation Date(s): [Single Valuation Date:
 [●] Business Days]
 [Multiple Valuation Dates:
 [●] Business Days; and each [●] Business Days thereafter
 Number of Valuation Dates: [●]]
- (cc) Valuation Time: [●]
- (dd) Quotation Method: [Bid/Offer/Mid-market]

(ee) Quotation Amount:	[[●]/Representative Amount]
(ff) Minimum Quotation Amount:	[●]
(gg) Quotation Dealers:	[●]
(hh) Quotations:	[Include Accrued Interest/Exclude Accrued Interest]
(ii) Valuation Method:	[Market/Highest] [Average Market/Highest/Average Highest] [Blended Market/Blended Highest] [Average Blended Market/Average Blended Highest]
(jj) Valuation Obligations(s):	<p>The following Deliverable Obligation Category and Deliverable Obligation Characteristics shall apply:</p> <p>Deliverable Obligation Category (<i>select one only</i>):</p> <p>[With respect to each Reference Entity, as specified in the Physical Settlement Matrix]</p> <p>[Payment] [Borrowed Money] [Reference Obligations Only] [Bond] [Loan] [Bond or Loan]</p> <p>Deliverable Obligation Characteristics (<i>select all of which apply</i>):</p> <p>[With respect to each Reference Entity, as specified in the Physical Settlement Matrix]</p> <p>[Not Subordinated] [Specified Currency: [●] (<i>Specify currency</i>)] [Standard Specified Currencies] [Not Sovereign Lender] [Not Domestic Currency] [Domestic Currency means: [●] (<i>Specify currency</i>)] [Not Domestic Law] [Listed] [Not Contingent] [Not Domestic Issuance] [Assignable Loan] [Consent Required Loan] [Direct Loan Participation] [Qualifying Participation Seller: [●] (<i>Give details</i>)] [Transferable] [Maximum Maturity: [●]] [Accelerated or Matured] [Not Bearer]</p> <p>Additional Deliverable Obligations: [●]</p> <p>Excluded Deliverable Obligation(s):</p>

(kk) Terms relating to Physical Settlement:	[•] [Applicable/Not Applicable] <i>(If not applicable, delete terms below relating to Physical Settlement)</i>
(ll) Physical Settlement Period:	[With respect to each Reference Entity, as specified in the Physical Settlement Matrix/[•] Business Days]
(mm) Asset Amount:	[Include Accrued Interest/Exclude Accrued Interest]
(nn) Settlement Currency:	[•]
(oo) Deliverable Obligations:	[Applicable/Not Applicable]
(pp) Deliverable Obligation Category <i>(select one only):</i>	[With respect to each Reference Entity, as specified in the Physical Settlement Matrix] [Payment] [Borrowed Money] [Reference Obligations Only] [Bond] [Loan] [Bond or Loan]
(qq) Deliverable Obligation Characteristics <i>(select all of which apply):</i>	[With respect to each Reference Entity, as specified in the Physical Settlement Matrix] [Not Subordinated] [Specified Currency: [•] (<i>Specify currency</i>)] [Standard Specified Currencies] [Not Sovereign Lender] [Not Domestic Currency] [Domestic Currency means: [•] (<i>Specify currency</i>)] [Not Domestic Law] [Listed] [Not Contingent] [Not Domestic Issuance] [Assignable Loan] [Consent Required Loan] [Direct Loan Participation] [Qualifying Participation Seller: [•] (<i>Give details</i>)] [Transferable] [Maximum Maturity: [•]] [Accelerated or Matured] [Not Bearer]
(rr) Additional Deliverable Obligations:	[•]
(ss) Excluded Deliverable Obligation(s):	[•]
(tt) Indicative Quotations:	[Applicable/Not Applicable]
(uu) Cut-off Date:	[•]
(vv) Delivery provisions for Asset Amount (including details of who is to make such delivery) if different from Terms and Conditions:	[•]

20	(ww) Terms relating to Auction Settlement:	[Applicable/Not Applicable] <i>(If not applicable, delete terms below relating to Auction Settlement)</i>
	(xx) Auction Credit Event Redemption Amount:	[[●] (<i>Express per Calculation Amount</i>)/As specified in Condition 11(p)]
	(yy) Auction Credit Event Redemption Date	[[●] Business Days/As specified in Condition 11(p)]
	Fund Linked Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(a) Whether the Notes relate to a single Reference Fund or a Basket of Reference Funds (each an “ Underlying ”) and the identity of the relevant Reference Fund/Funds:	[Single Reference Fund/Basket of Reference Funds] [[●] (ISIN: [●])] <i>(If a Basket of Reference Funds, give details for each Reference Fund)/See Schedule]</i>
	(b) Fund Interest Unit:	The [●] (<i>insert currency</i>) class of the (<i>shares/non-voting shares/participating shares/units</i>) of the Reference Fund (ISIN: [●])
	(c) Fund Administrator:	[Not Applicable/[●] (<i>Give details</i>)]
	(d) Fund Adviser:	[Not Applicable/[●] (<i>Give details</i>)]
	(e) Fund Manager:	[Not Applicable/[●] (<i>Give details</i>)]
	(f) Fund Service Provider:	[Not Applicable/[●] (<i>Give details</i>)]
	(g) Coupon Observation Period(s):	[[●] (<i>Give details</i>)/Not Applicable]
	(h) Coupon Observation Date(s):	[[●] (<i>Give details</i>)/Not Applicable]
	(i) Coupon Observation Time(s):	[[●] (<i>Give details</i>)/Not Applicable]
	(j) Valuation Date(s):	[[●] (<i>Give details</i>)/Not Applicable]
	(k) Averaging Date(s) in respect of:	[[●] (<i>Give details</i>)/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	[Initial Fixing Date(s):]	[[●]]
	[Coupon Observation Date(s):]	[[●]]
	[Obligatory Redemption Observation Date(s):]	[[●]]
	[Final Redemption Barrier Observation Date(s):]	[[●]]
	[Final Redemption Observation Date(s):]	[Valuation Date/[●] (<i>Specify other</i>)]
	[Adjustment provisions in the event of a Disrupted Day:]	[Omission/Postponement/Modified Postponement] <i>(N.B. only applicable where Averaging Date(s) are specified)</i>
	(l) Disrupted Day:	[Applicable/Not Applicable] <i>(If applicable, consider whether the provisions for calculation of the Reference Value if a Disrupted Day occurs which are included in Condition 8(f) are appropriate and, if they are not, insert appropriate provisions)</i>

- (m) Trade Date: [Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date)/[●] (Insert Trade Date of related swap transaction (if different from Issue Date))]
- (n) Multiplier for each of the Reference Fund comprising the Basket of Reference Funds: [[●] (Give details)/Not Applicable]
- (o) Additional Fund Documents: [[●] (Give details)/Not Applicable]

PROVISIONS RELATING TO THE INTEREST BASIS (see paragraph 9)

21 General provisions relating to interest:

- (a) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[●] (Specify other)/Not Applicable]
- (b) Financial Centre(s): [[●] (Give details)/Not Applicable]
- (c) Day Count Fraction: [Actual/Actual]/
[Actual/Actual (ISDA)]/
[Actual/Actual - ICMA]/
[Actual/365 (Fixed)]/
[Actual/365 (Sterling)]/
[Actual/360]/
[30/360]/
[360/360]/
[Bond Basis]/
[30E/360]/
[Eurobond Basis]/[30E/360 (ISDA)]/
[Other]
- (d) Specified Period(s)/Specified Interest Payment Date(s): [●]/[See paragraph 22]/[Not Applicable](Not Applicable for Fixed Rate Notes)
- (e) Interest Period: [As specified in General Definitions/(Specify other period)]
- (f) Minimum Rate of Interest: [[●] per cent. [per annum]/Not Applicable]
- (g) Maximum Rate of Interest: [[●] per cent. [per annum]/Not Applicable]
- (h) Such other terms or special conditions as may be required: [None/[●] (Give details)]
- (i) General: (If any of the below are not applicable, delete the relevant sub-paragraphs)
- (i) Coupon Performance: [Basket/Best Of/Worst Of/Specific/"Nth" Worst Of/[●] (Give details)]
- (ii) First Coupon Trigger Event: [Coupon Trigger Event [1], [2] Applicable/ [●] (Give details)/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (iii) Second Coupon Trigger Event : [Coupon Trigger Event [3], [4] Applicable/ [●] (Give details)/Not Applicable]
- (iv) Coupon Trigger Level(i): [●]
- (v) Coupon Trigger 2 Level(i): [●]

- (vi) Coupon Value 1_(i): [●]
(vii) Coupon Value 2_(i): [●]
(viii) Coupon Value 3_(i): [●]
(ix) Coupon Cap_(i): [●]
(x) Coupon Floor_(i): [●]
(xi) Applicable Rate: [●]
(xii) Lower Coupon Trigger: [●]
(xiii) Upper Coupon Trigger: [●]
(xiv) Call Strike_(i): [●]

i	Coupon Observation Date/Period	Specified Interest Payment Date	Coupon Value 1 (%)	Coupon Value 2 (%)	Coupon Value 3 (%)	Coupon Trigger (%)	Coupon Trigger 2 (%)	Coupon Floor	Coupon Cap
			<i>(to be deleted if N/A)</i>		<i>(to be deleted if N/A)</i>				
1	<i>(Insert date or period)</i>	<i>(insert date)</i>	<i>(e.g. 3%)</i>	<i>(e.g. 3%)</i>	<i>(e.g. 1%)</i>	<i>(e.g. 70%)</i>	<i>(e.g. 60%)</i>	<i>(e.g. 1%)</i>	<i>(e.g. 5%)</i>
2									
3									
4									

22 Fixed Rate Note Provisions:

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(a) Rate(s) of Interest:

[●] per cent. [per annum] [payable [annually/semi-annually/quarterly/[●] (*Specify other*)] in arrear]

(b) Interest Payment Date(s):

[●] [in each year][[provided that, if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, "Business Day" means a day on which commercial banks and foreign exchange markets settle payment and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong.] (*N.B. the bracketed wording should only be used in the case of Fixed*

Rate Notes denominated in Renminbi where the Interest Payment Dates are subject to modification.)]

- (c) Determination Date(s): ☐ [in each year]/[Not Applicable]
(Insert regular interest payment dates, ignoring the Issue Date and the Maturity Date in the case of a long or short first or last coupon)
(N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration)
(N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))
- (d) Fixed Coupon Amount(s): ☐ per Calculation Amount][Not Applicable][Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, with CNY0.005 being rounded upwards.] *(N.B. The last option should only be used in the case of Fixed Rate Notes denominated in Renminbi where the Interest Payment Dates are subject to modification)]*
- (e) Broken Amount(s): ☐ *(Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount and the Interest Payment Dates to which they relate)/Not Applicable]*
- 23 **Floating Rate Note Provisions:** ☐ Applicable/Not Applicable
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Manner in which the Rate(s) of Interest and/or Interest Amount is/are to be determined: ☐ Screen Rate Determination/ISDA Determination/ ☐ *(Specify other)]*
- (b) Screen Rate Determination: ☐ Applicable/Not Applicable
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Reference Rate: ☐
(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)
- (ii) Determination Date(s): ☐/[Not Applicable]
(Second London Business Day prior to the start of each Interest Period if LIBOR (other than euro (LIBOR)) and the second day on which the TARGET 2 is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
- (iii) Relevant Screen Page: ☐

		(In the case of EURIBOR, if not Reuters EURIBOR 01, ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
	(c) ISDA Determination:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i) Floating Rate Option:	[●]
	(ii) Designated Maturity:	[●]
	(iii) Reset Date:	[●]
	(iv) ISDA Definitions (if different from those set out in the Terms and Conditions):	[●]
	(d) Margin(s):	[[+/-][●] per cent. [per annum]/Not Applicable]
	(e) Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Terms and Conditions:	[●]
24	Zero Coupon Note Provisions:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(a) [Amortisation/Accrual] Yield:	[●] per cent. [per annum]
	(b) Reference Value:	[●]
	(c) Day Count Fraction in relation to Early Redemption Amounts and Late Payment:	[Conditions [Redemption and Purchase - Early Redemption Amounts] [5(g)] and [- Late Payment on Notes on which no Interest is Due] [5(l)] apply/[●] (Specify other)] (Consider applicable day count fraction if not U.S. dollar denominated)
	(d) Any formula/basis of determining amount payable:	[●]
25	Currency Linked Interest Note Provisions:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(a) Description of formula to be used to determine the Rate of Interest and/or Interest Amount:	[[●] (Give details)/See Schedule/Interest Amount _(i) in respect of Specified Interest Payment Date _(i) shall be an amount determined in accordance with Coupon Mechanism [1/2/3/4/5/6/7/8] set out in Annex I of the Conditions.]
	(b) Provisions for determining	[Applicable/Not Applicable]

	the Rate of Interest and/or Interest Amount where calculation by reference to the Currency or Currencies and/or formula is impossible or impracticable:	(If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions)
26	Commodity Linked Interest Note Provisions: Description of formula to be used to determine the Rate of Interest and/or Interest Amount:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph) [[•] (Give details)/See Schedule/Interest Amount _(i) in respect of Specified Interest Payment Date _(i) shall be an amount determined in accordance with Coupon Mechanism [1/2/3/4/5/6/7/8] set out in Annex I of the Conditions.]
27	Index Linked Interest Note Provisions: Description of formula to be used to determine the Rate of Interest and/or Interest Amount:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph) [[•] (Give details)/See Schedule/Interest Amount _(i) in respect of Specified Interest Payment Date _(i) shall be an amount determined in accordance with Coupon Mechanism [1/2/3/4/5/6/7/8] set out in Annex I of the Conditions.]
28	Equity Linked Interest Note Provisions: Description of formula to be used to determine the Rate of Interest and/or Interest Amount:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph) [[•] (Give details)/See Schedule/Interest Amount _(i) in respect of Specified Interest Payment Date _(i) shall be an amount determined in accordance with Coupon Mechanism [1/2/3/4/5/6/7/8] set out in Annex I of the Conditions.]
29	Credit Linked Interest Note Provisions: Description of formula to be used to determine the Rate of Interest and/or Interest Amount:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph) [[•] (Give details)/See Schedule/Interest Amount _(i) in respect of Specified Interest Payment Date _(i) shall be an amount determined in accordance with Coupon Mechanism [1/2/3/4/5/6/7/8] set out in Annex I of the Conditions.]
30	Fund Linked Interest Note Provisions: Description of formula to be used to determine the Rate of Interest and/or Interest Amount:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph) [[•] (Give details)/See Schedule/Interest Amount _(i) in respect of Specified Interest Payment Date _(i) shall be an amount determined in accordance with Coupon Mechanism [1/2/3/4/5/6/7/8] set out in Annex I of the

		Conditions.]
31	Dual Currency Interest Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i> <i>(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply)</i>
	(a) Rate(s) of Exchange/method of calculating Rate(s) of Exchange:	[[●] (Give details)/See Schedule/Screen Page: [●]/Bloomberg®/Reuters]
	(b) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable:	[Applicable/Not Applicable] <i>(If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions)</i>
PROVISIONS RELATING TO OPTIONAL REDEMPTION AND FINAL REDEMPTION AMOUNT		
32	Issuer Call: (Condition 5(c))	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(a) Optional Redemption Date(s):	[●]
	(b) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●]
	(c) If redeemable in part:	
	(i) Minimum Redemption Amount:	[●]
	(ii) Higher Redemption Amount:	[●]
	(d) Notice Period:	[As specified in Condition 5(c)/(Specify other period or date)]
33	Investor Put: (Condition 5(d))	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(a) Optional Redemption Date(s):	[●]
	(b) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s):	[●]
	(c) Notice period:	[As specified in Condition 5(d)/(Specify other)]
34	Obligatory Redemption:	[Applicable, upon the occurrence of an

(Condition 5(f))		Obligatory Redemption Trigger Event/[●](specify)/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>						
(a)	Obligatory Redemption Date:	[[●]/In respect of an Obligatory Redemption Trigger Event ⁽ⁱ⁾ , Potential Obligatory Redemption Date ⁽ⁱ⁾]						
(b)	Obligatory Redemption Amount of each Note and method, if any, of calculation of such amount:	[[●] per Note/Par/[●] (<i>Specify other</i>)/See below/See Schedule/Not Applicable/An amount determined in accordance with Obligatory Redemption Mechanism [1/2] set out in Annex I of the Conditions.]						
(c)	General:	<i>(If any of the below are not applicable, delete the relevant sub-paragraphs)</i>						
(i)	Obligatory Principal Redemption Value	[●]						
(ii)	Obligatory Redemption Value:	[●]						
(iii)	Obligatory Redemption Performance:	[Basket/Best Of/Worst Of/Specific/“Nth” Worst Of/[●] (<i>Give details</i>)]						
(iv)	Obligatory Redemption Trigger Event:	[Trigger Event 1/2/3/4/5/6/7/8 Applicable/Not Applicable]						
(v)	Obligatory Redemption Trigger Level ⁽ⁱ⁾ :	[●]						
(vi)	Obligatory Redemption Strike ⁽ⁱ⁾ :	[●]						
(vii)	Obligatory Redemption Cap:	[●]						
(viii)	Obligatory Redemption Gearing :	[●]						
(ix)	Obligatory Redemption Trigger Specified Number of Days:	[[<i>Give details and specify if consecutive or not</i>)/Not Applicable]						
(x)	Obligatory Redemption Observation Time:	[●]						

i	Obligatory Observation Date/Periods	Obligatory Redemption Date	Obligatory Redemption Trigger (%)	Obligatory Redemption Value (%)	Obligatory Principal Redemption (%)	Obligatory Redemption Cap (%)	Obligatory Redemption Strike (%)	Obligatory Redemption Gearing (%)
1	(Insert date or period)	(insert date)	(e.g. 3%)	(e.g. 3%)	(e.g. 70%)	(e.g. 5%)	(e.g. 100%)	(e.g. 120%)

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- 35 Final Redemption Amount of each Note: [●]
- 36 Such other terms or special conditions as may be required: [None/[●] (*Give details*)]

PROVISIONS RELATING TO THE REDEMPTION BASIS (*see paragraph 10*)

37 General Provisions Relating to Redemption:

- (a) Partly Paid Notes: [Applicable (*Give details*)/Not Applicable]
- (b) Instalment Notes: [Applicable/Not Applicable]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- Instalment Date(s): [●]
- Instalment Amount(s): [●]
- (c) Early Redemption Amount: [As defined in the Conditions/[●] (*Specify other*)]
- (d) Adjustment for Early Redemption Unwind Costs: [Applicable/Not Applicable]
(*If applicable:*)
[Standard Early Redemption Unwind Costs/[●] (*Specify other*)]
- (e) General: (*If any of the below are not applicable, delete the relevant sub-paragraphs*)
- (i) Final Redemption Performance: [Basket/Best Of/Worst Of/Specific/“Nth” Worst Of/[●] (*Give details*)]
- (ii) Final Redemption Barrier Performance: [Basket/Best Of/Worst Of/Specific/“Nth” Worst Of/[●] (*Give details*)]
- (iii) Final Redemption Barrier Breach Event: [Barrier Event [1]/[2]/[3]/[4] Applicable/Not Applicable]
- (iii) Final Redemption Barrier Level: [Applicable/Not Applicable]
- (iv) Final Redemption Value: [●] per cent. /*specify other*
- (v) FR_Bonus_1: [(*insert details*)/Not Applicable]
- (vi) FR_Bonus_2: [(*insert details*)/Not Applicable]
- (vii) FR_Bonus_3: [(*insert details*)/Not Applicable]
- (viii) FR_Bonus_4: [(*insert details*)/Not Applicable]
- (ix) FR_Cap_1: [(*insert details*)/Not Applicable]
- (x) FR_Cap_2: [(*insert details*)/Not Applicable]
- (xi) FR_Cap_3: [(*insert details*)/Not Applicable]
- (xii) FR_Cap_4: [(*insert details*)/Not Applicable]
- (xiii) FR_Gearing_1: [(*insert details*)/Not Applicable]

	(xiv) FR_Gearing_2:	[(insert details)/Not Applicable]
	(xv) FR_Gearing_3:	[(insert details)/Not Applicable]
	(xvi) FR_Gearing_4:	[(insert details)/Not Applicable]
	(xvii) FR_Strike_1:	[(insert details)/Not Applicable]
	(xviii) FR_Strike_2:	[(insert details)/Not Applicable]
	(xix) FR_Strike_3:	[(insert details)/Not Applicable]
	(xx) FR_Strike_4:	[(insert details)/Not Applicable]
	(xxi) Spread:	[(insert details)/Not Applicable]
	(xxii) Final Redemption Observation Period(s):	[[●] (Give details)/Not Applicable]
	(xxiii) Final Redemption Observation Date(s):	[[●] (Give details)/Not Applicable]
	(xxiv) Final Redemption Barrier Observation Period(s):	[●]
	(xxv) Final Redemption Barrier Observation Date(s):	[●]
	(xxvi) Final Redemption Barrier Observation Time:	[●]
38	Currency Linked Redemption Notes:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub- paragraphs of this paragraph)
	(a) Relevant provisions for determining the Final Redemption Amount:	[The Final Redemption Amount of each Note shall be determined in accordance with Final Redemption Mechanism [1/2/3/4] set out in Annex I of the Conditions /[●](specify other)]
	(b) Provisions for determining Final Redemption Amount where calculation by reference to the Currency/Currencies and/or formula is impossible:	[●] (Only relevant for Currency Linked Notes because no Terms and Conditions)
	(c) Such other terms or special conditions as may be required:	[●]
39	Commodity Linked Redemption Notes:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub- paragraphs of this paragraph)
	(a) Relevant provisions for determining the Final Redemption Amount:	[The Final Redemption Amount of each Note shall be determined in accordance with Final Redemption Mechanism [1/2/3/4] set out in Annex I of the Conditions /[●] (specify other)]
	(b) Such other terms or special conditions as may be required:	[●]
40	Index Linked Redemption Notes:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub- paragraphs of this paragraph)

	(a) Relevant provisions for determining the Final Redemption Amount:	[The Final Redemption Amount of each Note shall be determined in accordance with Final Redemption Mechanism [1/2/3/4] set out in Annex I of the Conditions /[●](specify other)]
	(b) Such other terms or special conditions as may be required:	[●]
41	Equity Linked Redemption Notes:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(a) Whether redemption of the Notes will be by (i) Cash Settlement or (ii) Physical Delivery or (iii) Cash Settlement and/or Physical Delivery:	[Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery] (If Cash Settlement and/or Physical Delivery is specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply)
	(b) Relevant provisions for determining the Final Redemption Amount:	[The Final Redemption Amount of each Note shall be determined in accordance with Final Redemption Mechanism [1/2/3/4] set out in Annex I of the Conditions /[●] (specify other)]
	(c) Physical Delivery:	[Applicable if a Final Redemption Barrier Breach Event has not occurred]/[Applicable if a Final Redemption Barrier Breach Event has occurred] /[Applicable in accordance with Final Redemption Mechanism 4]/[Not Applicable]
	(d) Relevant Assets:	[●] (Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery)
	(e) Asset Amount:	[●] per Calculation Amount/[●] (specify other)/ (Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery)
	(f) Cut-off Date:	[●] (Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery)
	(g) Delivery provisions for Asset Amount (including details of who is to make such delivery) if different from Terms and Conditions:	[●] (Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery)
	(h) Clearance System:	[●] (Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery)
	(i) Such other terms or special conditions as may be required:	[●]
42	Credit Linked Redemption Notes:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(a) Settlement:	
	(i) Settlement Method:	[Cash Settlement/Physical Settlement/Auction Settlement]

	(ii) Fallback Settlement Method:	[Cash Settlement/Physical Settlement/Not Applicable]
	(b) Relevant provisions for determining the Final Redemption Amount:	[The Final Redemption Amount of each Note shall be determined in accordance with Final Redemption Mechanism [1/2/3/4] set out in Annex I of the Conditions /[●](specify other)]
	(c) Such other terms or special conditions as may be required:	[None/[●] (Give details)]
43	Fund Linked Redemption Notes:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(a) Relevant provisions for determining the Final Redemption Amount:	[The Final Redemption Amount of each Note shall be determined in accordance with Final Redemption Mechanism [1/2/3/4] set out in Annex I of the Conditions /[●](specify other)]
	(b) Redemption Fees:	[[●] (Give details)/Not Applicable]
	(c) Relevant Provisions for determining certain Trigger Events:	
	(i) Reporting Disruption:	[●] (Insert time period)
	(ii) NAV Disruption Event:	[●] (Insert applicable number of days)
	(iii) NAV Trigger Event:	[●] (Insert percentage amount and period)
	(iv) Key Person Event:	[●] (Give details of key person(s))
	(v) Minimum Outstanding amount of Notes:	Occurs where the relevant aggregate nominal amount of Notes outstanding is less than [●] (Insert amount if different from USD 200,000) or its equivalent in the Specified Currency
	(vi) Benchmark Change:	The benchmark in respect of [the] [each] Reference Fund shall be [●] (Insert amount)
	(vii) Assets Under Management Trigger:	Occurs where the applicable level shall be [●] (Insert amount if different from Condition 9)
	(viii) Additional Trigger Events:	[[●] (Give details)/Not Applicable]
	(d) Fund Business Day:	[[●] (Give details)/Not Applicable]
	(e) Cut-off Period:	[●]
	(f) Final Cut-off Date:	[[●] (Give details)/Not Applicable]
	(g) Hedging Party:	[[●] (Give details)/Not Applicable]
	(h) Such other terms or special conditions as may be required:	[None/[●] (Give details)]
44	Dual Currency Redemption Notes:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(a) Relevant provisions for determining the Final Redemption Amount:	[The Final Redemption Amount of each Note shall be determined in accordance with Final Redemption Mechanism [1/2/3/4] set out in Annex I of the Conditions /[●] (specify other)]

- (b) Such other terms or special conditions as may be required: [None/[●] (*Give details*)]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 45 Form of Notes: [Bearer Notes/Registered Notes]
 [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances set out in the Permanent Global Note [and/or by the holder giving [60] days' notice to the Fiscal Agent of its election for exchange]]
 [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
 [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
 [Global Certificate exchangeable for Definitive Certificates in the limited circumstances specified in the Global Certificate]
(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]". Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes)
- 46 Financial Centre(s) or other special provisions relating to Payment Days in Condition 12(f): [[●] (*Give details*)/Not Applicable]
(Note that this paragraph relates to the place of payment and not to Payment Day/Interest Period End Dates)
(N.B. Provision 21(b) Financial Centre(s))
- Financial Centre(s) or other special provisions relating to Business Day: [[●] (*Give details*)/Not Applicable]
- 47 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No] (*If Yes, give details*)
- 48 Other final terms: [[●] (*Give details*)/Not Applicable]
(When adding any other final terms, consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)
- 49 Further Issues provision: [Condition 19 applies/[●] (*insert alternative*)]

provision if required)]

DISTRIBUTION

- 50 (a) If syndicated, names and addresses of Dealers and underwriting commitments: [Applicable/Not Applicable]
- (If applicable, include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Dealers)*
- (b) Date of Subscription Agreement: [[●] (Give details)/Not Applicable]
- (c) Stabilising Manager(s): [[●] (Give name)/Not Applicable]
- (d) If non-syndicated, name and address of relevant Dealer: [[●] (Insert name and address)/Not Applicable]
- (e) Total commission and concession: [[●] per cent. of the aggregate nominal amount/Certain fees or commissions will be payable to third party distributors and/or the Notes will be sold at a discount to the Issue Price on the primary sale of the Notes/Not Applicable/[●] (Specify other)]
- (f) U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA D/TEFRA C/TEFRA Not Applicable] [Rule 144A]
- 51 Non-exempt Offer: [Not Applicable/An offer of the Notes may be made by the Dealer(s) [and (Specify names of other financial intermediaries/placers making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. “other parties authorised by the Dealer”) or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known) (together with the Dealers], the “**Financial Intermediaries**”) other than pursuant to Article 3(2) of the Prospectus Directive in [Specify Relevant Member State(s) - which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)] (“**Public Offer Jurisdictions**”) during the “Offer Period”. See further paragraph 14 of Part B below.]
- (N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the Base Prospectus(and any supplement) has been notified/passported.)*
- 52 Additional selling restrictions: [Not Applicable/[●] (Give details)]

53 Additional United States Tax Considerations: [Applicable/Not Applicable]
(If applicable, specify) (N.B. Obtain U.S. tax advice in case of non-principal protected notes, notes that are treated as non-functional currency contingent payment debt instruments under Treasury Regulation 1.988-6, notes that provide for physical settlement or partly paid notes.)

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [Euronext Amsterdam by NYSE Euronext/Regulated Market of the Luxembourg Stock Exchange/SIX Swiss Exchange/[●] *Specify other*]] of the Notes described herein pursuant to the Structured Medium Term Note Programme of Rabobank Structured Products.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms [and to the best knowledge and belief of the Issuer the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information. As at the date of these Final Terms, there has been no material adverse change in the financial position of the Issuer since [●]. Information on the [[Equity Issuer(s)] / [Index/Indices] / [Reference Fund(s)] / [Reference Obligation(s)] / [Commodity/Commodities] / [Currency]] (the “**Reference Information**”) has been extracted from [●] [and/or other publicly available information]. The Issuer confirms that the Reference Information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: _____

Duly authorised

PART B – OTHER INFORMATION¹³

1 LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Amsterdam by NYSE Euronext/Regulated Market of the Luxembourg Stock Exchange/SIX Swiss Exchange/[●] (*Specify other relevant regulated market and, if relevant, admission to an official list*)] with effect from[, at the earliest, the Issue Date[up to and including the Valuation Date]¹⁴/[●] (*Specify date*)].
[Price quotation: The Notes are traded or quoted [at a full price (dirty price), i.e. the trading price includes accrued interest (if any)]/[at a clean price, i.e. the trading price does not include accrued interest (if any) which is calculated separately].]¹⁴
[Not Applicable]
- (ii) Estimate of total expenses related to admission to trading: [●]

2 RATINGS

- Ratings: [The Notes to be issued have not been rated.
Credit ratings in relation to the Issuer included or referred to in these Final Terms and the Base Prospectus[, as so supplemented,] have been issued by Standard & Poor's, Moody's and Fitch Ratings Ltd, each of Fitch, Moody's and S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.]¹⁵
- [The Notes to be issued have been rated:
[Standard & Poor's: [●]
[Moody's: [●]
[Other: [●]]
- [The rating is by a registered rating agency established in the EU]/[The rating is by an unregistered rating agency established outside the EU]/[The rating agency is established in the EU and is applying to be registered but has not yet been registered]/[The rating is by a third country rating agency that is endorsed by an EU registered agency]/[The rating is by a third country rating agency that has not applied to be registered but is certified in accordance with such Regulation.]]

¹³ If an issue of Notes is **not** to be admitted to trading on a regulated market in the EEA or offered to the public in the EEA, then only paragraphs 1 and 13 need to be completed and paragraphs 2 to 12 should be deleted.

¹⁴ Insert if the Notes are listed on the SIX Swiss Exchange.

¹⁵ Insert if the Notes are not rated and being publicly offered.

(Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.)

(The above disclosure should reflect the ratings allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. - *Amend as appropriate if there are other interests*]

(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

4 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(a) Reasons for the offer (other than general corporate purposes):

[●]

(See “Use of Proceeds” wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

(b) Estimated net proceeds:

[●]

(If proceeds are intended for more than one use, will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses, state amount and sources of other funding.)

(c) Estimated total expenses:

[●]

(Expenses are required to be broken down into each principal intended “use” and presented in order of priority of such “uses”.)

(N.B. If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, (a) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (a), disclosure of net proceeds and total expenses at (b) and (c) above are also required.)

5 YIELD (Fixed Rate Notes only)

Indication of yield:

[●]

[Calculated as (include details of the method of calculation in brief form) on the Issue Date.]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6 HISTORIC INTEREST RATES (Floating Rate Notes only)

Details of historic [LIBOR/EURIBOR/[●] *Specify other*] rates can be obtained from [Reuters]/[●] *Specify other*].

7 PERFORMANCE OF INDEX/INDICES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE INDEX/INDICES *(Index Linked Notes only)*

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(N.B. The requirements below only apply if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

(Need to include details of where past and future performance and volatility of the index/formula can be obtained.)

(Where the underlying is an index, need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer, need to include details of where the information about the index can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

(When completing the above paragraphs, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

[The Issuer does not intend to provide post-issuance information.]

8 PERFORMANCE OF RATE(S) OF EXCHANGE/FORMULA/CURRENCIES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE RATE(S) OF EXCHANGE/FORMULA/CURRENCIES *(Currency Linked Notes only)*

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

(Need to include details of where past and future performance and volatility of the [relevant rates/formula/currencies] can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

[The Issuer does not intend to provide post-issuance information.]

9 PERFORMANCE OF THE COMMODITY/COMMODITIES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE COMMODITY/COMMODITIES *(Commodity Linked Notes only)*

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

(Need to include details of where past and future performance and volatility of [the Commodity] can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

[The Issuer does not intend to provide post-issuance information.]

10 PERFORMANCE OF RATE(S) OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND OTHER INFORMATION CONCERNING THE UNDERLYING *(Dual Currency Notes only)*

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

(Need to include details of where past and future performance and volatility of the relevant rates can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

[The Issuer does not intend to provide post-issuance information.]

11 PERFORMANCE OF EQUITY/EQUITIES/REFERENCE FUND/FUNDS, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE EQUITY/EQUITIES/REFERENCE FUND/FUNDS *(Equity Linked Notes and Fund Linked Notes only)*

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(N.B. The requirements below only apply if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

(Need to include details of where past and future performance and volatility of the relevant [equity/basket of equities/fund] can be obtained.)

(Where the underlying is Equity or an investment or mutual fund, need to include the name of the underlying and need to include details of where the information about the Equity can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

[The Issuer does not intend to provide post-issuance information.]

12 INFORMATION IN RELATION TO THE REFERENCE ENTITY, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE REFERENCE ENTITY *(Credit Linked Notes only)*

(If there is a derivative component in the interest or the Notes are derivative securities to

which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

(Need to include details of the Reference Entity and of where information on the Reference Entity can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

[The Issuer does not intend to provide post-issuance information.]

13 **OPERATIONAL INFORMATION**

- | | |
|---|--|
| (a) ISIN: | <p>[●]</p> <p><i>(If fungible with an existing Series insert:)</i></p> <p>[Pending consolidation with the Tranche 1 Notes:</p> <p>[●]</p> <p>Following consolidation with the Tranche 1 Notes:</p> <p>[●]]</p> |
| (b) Common Code: | <p>[●]</p> <p><i>(If fungible with an existing Series insert:)</i></p> <p>[Pending consolidation with the Tranche 1 Notes:</p> <p>[●]</p> <p>Following consolidation with the Tranche 1 Notes:</p> <p>[●]]</p> |
| (c) The Depository Trust Company: | [Not Applicable/ <i>Give name and CUSIP NUMBER</i>] |
| (d) Any clearing system(s) other than DTC, Euroclear Bank S.A./N.V. and Clearstream Banking, <i>société anonyme</i> and the relevant identification number(s): | <p>[Not Applicable/<i>Give name(s) and number(s)</i>]</p> <p>[Applicable:</p> <p>SIX SIS AG, Baslerstrasse 100, 4600 Olten, Switzerland</p> <p>Swiss Valoren code: [●]]</p> |
| (e) Delivery: | Delivery [against/free of] payment |
| (f) Names (and addresses) of additional (Paying/Delivery) Agent(s) (if any): | <p>Not Applicable/[●]</p> <p>[Applicable:</p> <p>BNP Paribas Securities Services, Zurich Branch, Selnaustrasse 16, 8002 Zurich, Switzerland]</p> |
| (g) Names (and addresses) of Calculation Agent(s) (if different from Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International)): | Not Applicable/[●] |
| (h) Minimum Trading Size: | Not Applicable/[●] |

14 **TERMS AND CONDITIONS OF THE OFFER**

- | | |
|------------------|--|
| (a) Offer Price: | [Issue Price/Not Applicable/[●] (<i>Give details</i>)] |
|------------------|--|

- | | |
|--|--|
| (b) Conditions to which the offer is subject: | [Not Applicable/[●] (<i>Give details</i>)] |
| (c) Description of the application process: | <p>[Not Applicable/[●] (<i>Give details</i>)]</p> <p>[The offer of the Notes is expected to open at [●] hours (Central European Time) on [●] and close at [●] hours (Central European Time) on [●] or such earlier or later date or time as the Issuer may determine and will be announced [●] (the “Offer Period”).]</p> <p>[The Issuer reserves the right to withdraw or alter the terms of the offer of the Notes up to one Business Day prior to the Issue Date at the latest. Such withdrawal or alteration will be announced as described above.]</p> |
| (d) Details of the minimum and/or maximum amount of application: | [Not Applicable/[●] (<i>Give details</i>)] |
| (e) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: | <p>[Not Applicable/[●] (<i>Give details</i>)]</p> <p>[Subscriptions in excess of the aggregate nominal amount will be reduced systematically. Reduction will be announced by the Issuer at [●] hours (Central European Time) on [●] or such earlier or later date or time as the Issuer may determine and will be announced as described in item 14(c) above.]</p> |
| (f) Details of the method and time limits for paying up and delivering the Notes: | [Not Applicable/[●] (<i>Give details</i>)] |
| (g) Manner in and date on which results of the offer are to be made public: | <p>[The Issuer reserves the right to increase or decrease the aggregate nominal amount of the Notes to be issued and allotted. Such increase or decrease will be announced by the Issuer at [●] hours (Central European Time) on [●] or such earlier or later date or time as the Issuer may determine as described in item 14(c) above.]</p> <p>[If the Issuer increases or decreases the aggregate nominal amount of the Notes, as described above, the number of Notes issued will be increased or decreased, as the case may be, by a number equal to the division of the increased or decreased, as the case may be, aggregate nominal amount by the Specified Denomination.]</p> <p>[Not Applicable/[●] (<i>Give details</i>)]</p> |
| (h) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: | [Not Applicable/[●] (<i>Give details</i>)] |
| (i) Categories of potential investors to which the Notes | [Not Applicable/[●] (<i>Give details</i>)] |

are offered and whether tranche(s) have been reserved for certain countries:

- (j) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable/[●] (*Give details*)]
- (k) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/[●] (*Give details*)]
- (l) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [None/[●] (*Give details*)]

[Annex 1 : [Dutch] language description of principal terms of the Notes]

FORM OF FINAL TERMS (AT LEAST EUR 100,000)

(Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a **denomination of at least EUR 100,000** (or its equivalent in another currency).)

FINAL TERMS

Date: [●]

COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A. (RABOBANK STRUCTURED PRODUCTS)

Issue of [aggregate nominal amount of Tranche] [Title of Notes] (the “Notes”) pursuant to the EUR 15,000,000,000 Structured Medium Term Note Programme

[IN NO CIRCUMSTANCES MAY THE NOTES BE REDEEMED BY THE ISSUER AT THE MATURITY DATE FOR LESS THAN THE PROTECTION AMOUNT, EXCEPT THAT IN THE EVENT OF INSOLVENCY OF THE ISSUER OR IN THE EVENT OF AN EARLY REDEMPTION PURSUANT TO TERMS AND CONDITIONS 5(b), 5(e), 5(h), [7(b)]¹, [8(b)]², [9(c)]³, [10(b)]⁴ OR 15 THE NOTES MAY BE REDEEMED AT LESS THAN THE PROTECTION AMOUNT.]⁵

THE ISSUER HAS MADE NO INVESTIGATION INTO THE TREATMENT OF THE NOTES BY THE TAX AUTHORITIES OF ANY COUNTRY, INCLUDING THE UNITED STATES OF AMERICA. INVESTORS ARE STRONGLY ADVISED TO TAKE THEIR OWN TAX ADVICE.

[The Notes will not be offered to the public in or from Switzerland and neither these Final Terms nor any other document relating to the Notes may be publicly distributed in Switzerland in connection with any such offering or distribution. The Notes may be offered in Switzerland without any public promotion or advertisement only to selected qualified investors in accordance with the Swiss Federal Act on Collective Investment Schemes.]⁶

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions set forth in the Base Prospectus dated 22 June 2012[and the supplementary prospectus[es] dated [●]] (the “**Conditions**”), which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus[, as supplemented]. [These Final Terms constitute the final terms pursuant to Article 21 of the Additional Rules for the Listing of Derivatives of the SIX Swiss Exchange. The Base Prospectus[, as supplemented], which has been approved by the SIX Swiss Exchange as an issuance programme within the meaning of the Additional Rules for the Listing of Derivatives of the SIX Swiss Exchange together with these Final Terms constitute the complete listing prospectus for the Notes.]⁷ Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus[, as supplemented]. The Notes will be issued on the terms of these Final Terms read together with the Base Prospectus[, as supplemented]. The Issuer accepts responsibility for the information contained in these Final Terms which, when read together with the Base Prospectus[, as supplemented], contains all information that is

¹ Insert if Index Linked Notes.

² Insert if Equity Linked Notes.

³ Insert if Fund Linked Notes.

⁴ Insert if Commodity Linked Notes.

⁵ Insert if Protection Amount is applicable.

⁶ Insert if the Notes are privately placed into Switzerland, delete if the Notes are listed on the SIX Swiss Exchange or publicly offered into Switzerland.

⁷ Insert if the Notes are to be listed on the SIX Swiss Exchange.

material in the context of the issue of the Notes. The Base Prospectus [and the supplementary prospectus[es]] [is] [are] available for viewing during normal business hours and may be obtained from Rabobank International at Croeselaan 18, 3521 CB Utrecht, The Netherlands (E-mail: ir@rabobank.com; Telephone No.: +31 (0)30 712 24 01), the offices of the Paying Agents and the Issuer's website (www.rabobank.com/ir under Corporate Governance and Funding and Funding Programmes). More information on the Programme can be found under Funding and Funding Programmes on such website. Annual reports and financial statements can be downloaded at www.annualreportsrabobank.com.

(The following alternative language applies if the first tranche of an issue which is being increased (a further issue pursuant to Condition 19) was issued under a Base Prospectus with an earlier date.)

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions set forth in the [offering circular/base prospectus] dated [22 September 2011][22 September 2010][21 December 2009][22 December 2008][24 December 2007][22 December 2006][27 December 2005][1 July 2005] [and the supplementary prospectus[es] dated [●]] (the “**Conditions**”) which are incorporated by reference in the Base Prospectus dated 22 June 2012. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated 22 June 2012 [and the supplementary prospectus[es] dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the terms and conditions set forth therein. [These Final Terms constitute the final terms pursuant to Article 21 of the Additional Rules for the Listing of Derivatives of the SIX Swiss Exchange. The Base Prospectus[, as supplemented], which has been approved by the SIX Swiss Exchange as an issuance programme within the meaning of the Additional Rules for the Listing of Derivatives of the SIX Swiss Exchange together with these Final Terms constitute the complete listing prospectus for the Notes.]⁸ Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus dated 22 June 2012 [, as supplemented,] and the Conditions. The applicable [offering circular/base prospectus] containing the Conditions[, and the] Base Prospectus [and the supplementary prospectus[es]] [is][are] available for viewing during normal business hours and may be obtained from Rabobank International at Croeselaan 18, 3521 CB Utrecht, The Netherlands (E-mail: ir@rabobank.com; Telephone No.: +31 (0)30 712 24 01), the offices of the Paying Agents and the Issuer's website (www.rabobank.com/ir under Corporate Governance and Funding and Funding Programmes). More information on the Programme can be found under Funding and Funding Programmes on such website. Annual reports and financial statements can be downloaded at www.annualreportsrabobank.com.]

(The following alternative language applies if Notes are issued pursuant to Rule 144A.)

[THE NOTES REFERRED TO HEREIN THAT ARE REPRESENTED BY A GLOBAL CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “**SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (“**RULE 144A**”) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF NOTES REPRESENTED BY A GLOBAL CERTIFICATE.]

These Final Terms do not constitute an offer to sell or the solicitation of an offer to buy any Notes other than the Notes to which they relate or an offer to sell or the solicitation of an offer to buy Notes by any person in any circumstances in which such offer or solicitation is unlawful.

The distribution of these Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession these Final Terms come are required by the Issuer to inform themselves about and to observe any such restrictions. For a further description of certain restrictions on the offering and sale of the Series, see “Subscription and Sale” in the Base Prospectus as supplemented or amended by these Final Terms.

The information contained in these Final Terms does not constitute an investment recommendation.

The Notes do not constitute a participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes (“CISA”) and thus do not require an authorization, and are not subject to the supervision, of the Swiss Financial Market Supervisory Authority (FINMA). Accordingly, prospective investors in the Notes are not eligible for the specific investor protection provided under the CISA.⁹

The purchase of Notes may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective purchasers of Notes should consider carefully, in the light of their own financial circumstances and investment objectives, all the information set forth in these Final Terms and the Base Prospectus, as supplemented from time to time.

[A [Dutch] language description of the principal terms of the Notes is contained in Annex I hereto.]

(Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs, save in respect of the paragraphs in Part B, which may be deleted if “Not Applicable”. Italics denote directions for completing the Final Terms and should be deleted upon finalisation.)

(When adding any other terms, risk warnings or information, consideration should be given as to whether such terms, risk warnings or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

- | | | |
|---|---|---|
| 1 | Issuer: | Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Structured Products) |
| 2 | (a) Series Number: | [●] |
| | (b) Tranche Number: | [●] |
| | | <i>(If fungible with an existing Tranche insert:)</i> |
| | | [The Notes issued pursuant to these Final Terms will be consolidated and form a single series with [●] (insert title of original Notes) (the “ Tranche 1 Notes ”), issued pursuant to the Final Terms dated [●], with effect from [●] (insert the Issue Date)/[●] (insert a date no earlier than 40 days after the Issue Date of Tranche 2 Notes)] |
| 3 | [(a)] Specified Currency or Currencies: | [●] |
| | [(b)] CNY Currency Event: | [[Applicable]][Not Applicable]] |
| | [(c)] Relevant Currency:]] | [[●]] |
| 4 | Aggregate nominal amount: | |

	(a) Series:	[●]
	(b) Tranche:	[●]
5	Issue Price of Tranche:	[●] per cent. [plus accrued interest from [●] (<i>Insert date</i>) (<i>in the case of fungible issues only, if applicable</i>)]
6	(a) Specified Denominations ¹⁰ :	<p>[●]</p> <p><i>(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive, the €[1,000] minimum denomination is not required)</i></p> <p><i>(Notes (including Notes denominated in Sterling), in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year, must have a minimum denomination of £100,000 (or its equivalent in other Specified Currencies))</i></p>
	(b) Calculation Amount:	<p>[●]</p> <p><i>(If there is only one Specified Denomination, insert that Specified Denomination)</i></p> <p><i>(If there is more than one Specified Denomination, insert the highest common factor. N.B. There must be a common factor in the case of two or more Specified Denominations)</i></p>
7	(a) Issue Date:	[●]
	(b) Interest Commencement Date:	[[●] (<i>Specify</i>)/The Issue Date/Not Applicable]
8	Maturity Date or Redemption Month:	<p>[●]/[Fixed Rate - [●] (<i>Specify date</i>)]/[Floating Rate - Interest Payment Date falling in or nearest to [●] (<i>Specify month</i>)] (the “Scheduled Maturity Date”)</p> <p>[subject as provided in [Condition 11(d)] [./and] [Condition 11(e)] [and] [Condition 11(f)](<i>Include for Credit Linked Notes</i>)]</p> <p><i>(In the case of Index Linked Notes, Equity Linked Notes, Commodity Linked Notes or Fund Linked Notes, consider providing for postponement of Maturity Date if (i) the final Valuation Date is postponed by reason of a Market Disruption Event or (ii) there is a Settlement Disruption Event)</i></p> <p><i>(N.B. It will be necessary to use the option “Floating Rate – Interest Payment Date falling in or nearest to [●] (<i>Specify month</i>)” for Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification.)</i></p>

¹⁰

Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

9	Interest Basis:	[[●] per cent. Fixed Rate]/ [[LIBOR/EURIBOR/[●] (<i>Specify other</i>)] +/-][●] per cent. Floating Rate]/ [Zero Coupon]/ [Currency Linked Interest]/ [Commodity Linked Interest]/ [Equity Linked Interest]/ [Index Linked Interest]/ [Credit Linked Interest]/ [Fund Linked Interest]/ [Dual Currency Interest]/ [Non-interest bearing]/ [[●] (<i>Specify other</i>)] (<i>Further particulars specified below</i>)
10	(a) Redemption/Payment Basis:	[Redemption at par]/ [Currency Linked Redemption]/ [Commodity Linked Redemption]/ [Equity Linked Redemption]/ [Index Linked Redemption]/ [Credit Linked Redemption]/ [Fund Linked Redemption]/ [Dual Currency Redemption]/ [Partly Paid]/ [Instalment]/ [[●] (<i>Specify other</i>)] [See item [●] below (<i>Insert item relevant number</i>)] (<i>Further particulars specified below</i>)
	(b) Protection Amount:	[Principal Protection/[●] per cent. of the Specified Denomination/Not Applicable]
11	Change of Interest Basis or Redemption/Payment Basis:	[[●] (<i>Give details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis</i>)/Not Applicable]
12	Investor Put/Issuer Call/Obligatory Redemption:	[Investor Put Applicable/Issuer Call Applicable/Obligatory Redemption Applicable/Not Applicable] [See item [●] below (<i>Insert item relevant number</i>)] (<i>Further particulars specified below</i>)
13	(a) Status of the Notes:	[Senior and unsecured/Subordinated (<i>Give details</i>)]
	(b) Domestic Note: (<i>if Domestic Note, there will be no gross-up for withholding tax</i>)	[No/Yes]
	(c) Date of approval for issuance of Notes:	[[●]/Not Applicable]
14	Method of distribution:	[Syndicated/Non-Syndicated]
GENERAL PROVISIONS RELATING TO THE INTEREST/REDEMPTION BASIS		
15	Currency Linked Note Provisions:	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub- paragraphs of this paragraph</i>)

	Relevant Currency/Currencies (each an “ Underlying ”):	[[●] (Give details)/See Schedule]
15A	Dual Currency Note Provisions:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	Relevant Currency/Currencies: (each an “ Underlying ”):	[[●] (Give details)/See Schedule]
16	Commodity Linked Note Provisions:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(a) Whether the Notes relate to a single Commodity or a Basket of Commodities or Commodity Index or Basket of Commodity Indices (each an “ Underlying ”) and identity of the relevant Commodity/Commodities or Commodity Index/Indices:	[Single Commodity/Basket of Commodities/Commodity Index/Basket of Commodity Indices] [[●] (Give details)/See Schedule] (If a Basket of Commodities or Basket of Commodity Indices, give details for each Commodity or Commodity Index) [[See Schedule]/ (i) Commodity Reference Price: [●]; (ii) Specified Commodity: [●]; (Include type or grade if relevant, the location of delivery and any other details) (iii) Unit: [●]; (iv) Exchange: [●]; (v) Relevant Currency: [●]; (vi) Specified Price: [●]; (vii) Delivery Date: [[●]/Not Applicable]]/ (The price for a Pricing Date will be that day’s Specified Price per Unit of that Commodity on that Exchange and, if applicable, for delivery on that Delivery Date, stated in that currency, as announced or published by that Exchange on the Pricing Date) (i) Commodity Reference Price: [●]; (ii) Specified Commodity: [●]; (Include type or grade if relevant, the location of delivery and any other details) (iii) Unit: [●]; (iv) Price Source: [●]; (v) Reference Dealers: [[●]/Not Applicable]; (vi) Heading: [●]; (vii) Relevant Currency: [●]; (viii) Specified Price: [●]; (ix) Delivery Date: [[●]/Not Applicable]] (The price for a Pricing Date will be that day’s Specified Price per Unit of that Commodity and, if applicable, for delivery on that Delivery Date, stated in that currency, published (or shown) in the issue of the Price Source that reports prices effective on that Pricing Date)

- (b) Name of Index Sponsor(s): [●]
- (c) Coupon Observation Period(s): [[●] (*Give details*)/Not Applicable]
- (d) Coupon Observation Date(s): [[●] (*Give details*)/Not Applicable]
- (e) Coupon Observation Time(s): [[●] (*Give details*)/Not Applicable]
- (f) Initial Fixing Date(s): [[●] (*Give date*)/Not Applicable]
- (g) Initial Level: [[●] (*Give details*)/Not Applicable]
- (h) Strike: [[●] per cent. of the Initial Level (*Give details*)/Not Applicable]
- (i) Valuation Date(s): [[●] (*Give details*)/Not Applicable]
- (j) Averaging Date(s) in respect of: [[●] (*Give details*)/Not Applicable]
(*If not applicable, delete the remaining subparagraphs of this paragraph*)
- [Initial Fixing Date(s):] [[●]]
- [Coupon Observation Date(s):] [[●]]
- [Obligatory Redemption Observation Date(s):] [[●]]
- [Final Redemption Barrier Observation Date(s):] [[●]]
- [Final Redemption Observation Date(s):] [Valuation Date/[●] (*Specify other*)]
- [Adjustment provisions in the event of a Disrupted Day:] [Omission/Postponement/Modified Postponement]
(*N.B. only applicable where Averaging Date(s) are specified*)
- (k) Valuation Time: [As set out in Condition 10(c)/[●] (*Specify other*)]
- (l) Disrupted Day: [Applicable/Not Applicable]
(*If applicable, consider provisions for calculation of the Commodity Reference Price if a Disrupted Day occurs which are included in Condition 10(c) and, if they are not, insert appropriate provisions*)
- (m) Disruption Fallback: [Fallback Reference Dealers]
[Fallback Reference Price]
[Postponement]
[Calculation Agent Determination]
[Delayed Publication or Announcement]
(*delete as applicable and place in preferred order*)/[In the following order:
- (a) Delayed Publication or Announcement and Postponement (each to operate concurrently with the other and each subject to a period of the applicable Maximum Days of Disruption; provided, however, that the price determined by Postponement shall be the Relevant Commodity Price only if Delayed Publication or Announcement does not yield a Relevant Price within the period of the applicable Maximum Days of Disruption); and
- (b) Calculation Agent Determination.]

(n) Maximum Number of Days of Disruption	[2 days/[•] (<i>Give details</i>)/Not Applicable] (<i>The Conditions will apply the number of days specified to be consecutive Commodity Business Days or, if Bullion, consecutive Bullion Business Days</i>)
(o) Trade Date:	[Issue Date (<i>if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date</i>)/[•] (<i>Insert Trade Date of related swap transaction (if different from Issue Date)</i>)]
(p) Exchange(s):	[•]
(q) Exchange Rate:	[Applicable/Not Applicable] (<i>If applicable, insert details</i>)
(r) Additional Disruption Events:	[Applicable/Not Applicable] (<i>If applicable, specify which of the following events are applicable</i>) [Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [[•] (<i>Specify other</i>)]
(s) Price Materiality Percentage	[[•] per cent. (<i>Give details</i>)/Not Applicable]
(t) Multiplier for each of the Commodities/Commodity Indices comprising the Basket of Commodities/Commodity Indices:	[[•] (<i>Give details</i>)/Not Applicable]
17	<p data-bbox="392 1216 775 1249">Index Linked Note Provisions:</p> <p data-bbox="882 1216 1406 1328">[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)</p> <p data-bbox="392 1339 813 1574">(a) Whether the Notes relate to a single Index or a Basket of Indices (each an “Underlying”), the identity of the relevant Index/Indices and whether such Index/Indices is/are a Multi-Exchange Index:</p> <p data-bbox="882 1339 1505 1664">[Single Index/Basket of Indices] (<i>If a Basket of Indices, give details for each Index</i>) Index/Indices: [[•] (<i>Give details</i>) (Bloomberg® code: [•])]/See Schedule] Multi-Exchange Index: [Applicable/Not Applicable] (<i>N.B. Multi-Exchange Index should apply to any Index in respect of which there is more than one Exchange, e.g. a EURO STOXX index</i>)</p> <p data-bbox="392 1675 770 1709">(b) Name of Index Sponsor(s):</p> <p data-bbox="882 1675 922 1709">[•]</p> <p data-bbox="392 1720 818 1753">(c) Coupon Observation Period(s):</p> <p data-bbox="882 1720 1297 1753">[[•] (<i>Give details</i>)/Not Applicable]</p> <p data-bbox="392 1765 798 1798">(d) Coupon Observation Date(s):</p> <p data-bbox="882 1765 1297 1798">[[•] (<i>Give details</i>)/Not Applicable]</p> <p data-bbox="392 1809 802 1843">(e) Coupon Observation Time(s):</p> <p data-bbox="882 1809 1297 1843">[[•] (<i>Give details</i>)/Not Applicable]</p> <p data-bbox="392 1854 667 1888">(f) Valuation Date(s):</p> <p data-bbox="882 1854 1297 1888">[[•] (<i>Give details</i>)/Not Applicable]</p> <p data-bbox="392 1899 791 1966">(g) Averaging Date(s) in respect of:</p> <p data-bbox="882 1899 1406 2011">[[•] (<i>Give details</i>)/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)</p> <p data-bbox="448 2022 727 2056">[Initial Fixing Date(s):]</p> <p data-bbox="882 2022 943 2056">[[•]]</p>

[Coupon Observation Date(s):]	[[●]]
[Obligatory Redemption Observation Date(s):]	[[●]]
[Final Redemption Barrier Observation Date(s):]	[[●]]
[Final Redemption Observation Date(s):]	[Valuation Date/[●] (<i>Specify other</i>)]
[Adjustment provisions in the event of a Disrupted Day:]	[Omission/Postponement/Modified Postponement] (<i>N.B. only applicable where Averaging Date(s) are specified</i>)
(h) Valuation Time:	[As set out in Condition 7(c)/[●] (<i>Specify other</i>)]
(i) Disrupted Day:	[Applicable/Not Applicable] (<i>If applicable, consider provisions for calculation of the Reference Value if a Disrupted Day occurs which are included in Condition 7(c) and, if they are not, insert appropriate provisions</i>)
(j) Trade Date:	[Issue Date (<i>if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date</i>)/[●] (<i>Insert Trade Date of related swap transaction (if different from Issue Date)</i>)]
(k) Initial Fixing Date:	[●]
(l) Initial Level:	[[●] (<i>Give details</i>)/Not Applicable]
(m) Strike:	[[●] per cent. of the Initial Level (<i>Give details</i>)/Not Applicable]
(n) Exchange(s):	[●]
(o) Related Exchange(s):	[All Exchanges/[●] (<i>Give details</i>)]
(p) Additional Disruption Events:	[Applicable/Not Applicable] (<i>If applicable, specify which of the following events are applicable</i>) [Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [[●] (<i>Specify other</i>)]
(q) Multiplier for each Index comprising the Basket of Indices:	[[●] (<i>Give details</i>)/Not Applicable]
Equity Linked Note Provisions:	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
(a) Whether the Notes relate to a single Equity or Basket of Equities (each an “ Underlying ”) and the identity of the Equity Issuer(s) of the relevant Equity/Equities:	[Single Equity/Basket of Equities] (<i>If a Basket of Equities, give details for each Equity, including details of Underlying Equities where applicable (this will be applicable where the Equities are ADRs or GDRs)</i>) [(i) Equity/Equities: [Existing [ordinary shares] of the Equity Issuer(s)];

- (ii) Equity Issuer(s): [●] (Bloomberg® code: [●]);
 - (iii) the ISIN/Common Code of Equity/Equities: [[●]/See Schedule]]
 - (insert (iv) to (vii) below for ADRs/GDRs)*
 - [(iv) Underlying Equity/Equities: [●];
 - (v) Underlying Equity Issuer(s): [●];
 - (vi) the ISIN/Common Code of the Underlying Equity/Equities: [●]]
- (b) Partial Lookthrough Depositary Receipt Provisions: [Applicable/Not Applicable]
(Applicable for Russian ADRs/GDRs)
- (c) Full Lookthrough Depositary Receipt Provisions: [Applicable/Not Applicable]
- (d) Exchange Traded Notes: [Applicable/Not Applicable]
(If applicable, insert details)
- (e) [ETN Early Redemption Amount:] [Applicable/Not Applicable]
- (f) [ETN Event of Default:] [Applicable/Not Applicable]
- (g) Coupon Observation Period(s): [[●] (Give details)/Not Applicable]
- (h) Coupon Observation Date(s): [[●] (Give details)/Not Applicable]
- (i) Coupon Observation Time(s): [[●] (Give details)/Not Applicable]
- (j) Valuation Date(s): [[●] (Give details)/Not Applicable]
- (k) Averaging Date(s) in respect of: [[●] (Give details)/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
 - [Initial Fixing Date(s):] [[●]]
 - [Coupon Observation Date(s):] [[●]]
 - [Obligatory Redemption Observation Date(s):] [[●]]
 - [Final Redemption Barrier Observation Date(s):] [[●]]
 - [Final Redemption Observation Date(s):] [Valuation Date/[●] (Specify other)]
 - [Adjustment provisions in the event of a Disrupted Day:] [Omission/Postponement/Modified Postponement]
(N.B. only applicable where Averaging Date(s) are specified)
- (l) Valuation Time: [As set out in Condition 8(f)/[●] (Specify other)]
- (m) Disrupted Day: [Applicable/Not Applicable]
(If applicable, consider whether the provisions for calculation of the Reference Value if a Disrupted Day occurs which are included in Condition 8(f) are appropriate and, if they are not, insert appropriate provisions)
- (n) Trade Date: [Issue Date (if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue

		Date)/[●] (<i>Insert Trade Date of related swap transaction (if different from Issue Date))</i>]
	(o) Initial Fixing Date:	[●]
	(p) Initial Level:	[[●] (<i>Give details</i>)/Not Applicable]
	(q) Strike:	[[●] per cent. of the Initial Level (<i>Give details</i>)/Not Applicable]
	(r) Exchange(s):	[●]
	(s) Related Exchange(s):	[All Exchanges/[●] (<i>Give details</i>)]
	(t) Exchange Rate:	[Applicable/Not Applicable] (<i>If applicable, insert details</i>)
	(u) Additional Disruption Events:	[Applicable/Not Applicable] (<i>If applicable, specify which of the following events are applicable</i>) [Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [Insolvency Filing] [[●] (<i>Specify other</i>)]
	(v) Multiplier for each Equity comprising the Basket of Equities (which is subject to adjustment as set out in Condition 8(b)):	[[●] (<i>Give details</i>)/Not Applicable]
19	Credit Linked Note Provisions:	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining subparagraphs of this paragraph</i>)
	(a) Whether the Notes relate to a single Reference Entity or Basket of Reference Entities (each an “ Underlying ”) and the identity of the relevant Reference Entity/Entities:	[Single Reference Entity/Basket of Reference Entities] (<i>If a Basket of Reference Entities, give details for each Reference Entity including Transaction Types, Reference Entity Notional Amount and Reference Entity Applicable Percentage</i>) [[●] (<i>Give details</i>)/See Schedule]
	Transaction Type(s):	[[●] (<i>Give details</i>)/Not Applicable] (<i>Specify Transaction Type(s) where “Physical Settlement Matrix Standard Terms” is applicable</i>)
	(b) Fixed Number of Reference Entities:	[Applicable/Not Applicable]
	(c) Succession Event Backstop Date:	[Applicable/Not Applicable]
	(d) Reference Obligation Obligations:	[[●] (<i>Give details</i>)/Not Applicable]
	(e) [The obligation(s) identified as follows:	[●]
	Primary Obligor:	[●]
	Guarantor:	[●]
	Maturity:	[●]

- Coupon: [●]
 CUSIP/ISIN: [●]]
- (f) All Guarantees: [With respect to each Reference Entity, as specified in the Physical Settlement Matrix/Applicable/Not Applicable]
 Provisions relating to Qualifying Guarantee and Underlying Obligation:
 [Applicable/Not Applicable]
- (g) Credit Events: [With respect to each Reference Entity, as specified in the Physical Settlement Matrix]

(Where the Physical Settlement Matrix Standard Terms apply, specify whether “Restructuring” is applicable in the case of a North American Corporate Transaction Type or Standard North American Corporate Transaction Type)

[Bankruptcy]
 [Failure to Pay]
 [Grace Period Extension: Applicable/Not Applicable]
 [(If Applicable:) Grace Period: [●]]
 [Obligation Default]
 [Obligation Acceleration]
 [Repudiation/Moratorium]
 [Restructuring]
 [(If Restructuring is applicable:)
 Multiple Credit Events: Condition 11(l)(i)
 [Applicable/Not Applicable]
 Multiple Holder Obligation: Condition 11(l)(ix) [Applicable/Not Applicable]
 Restructuring Maturity Limitation and Fully Transferable Obligation:
 [Applicable/Not Applicable]
 Modified Restructuring Maturity Limitation and Conditionality Transferable Obligation Multiple Credit Events: Condition 11(l)(i)
 [Applicable/Not Applicable]]

[Other]

- (h) Default Requirement: [●]
 (i) Payment Requirement: [●]
 (j) Credit Event Backstop Date: [Applicable/Not Applicable]
 (k) Conditions to Settlement: Credit Event Notice

Notice of Publicly Available Information
 [Applicable/Not Applicable]
 [(If Applicable:)
 [Public Source(s): [As per Condition 11(p)/[●]]

- (Specify other)]
Specified Number: [●]]
- [Other Physical Settlement Matrix Terms apply (if any)]
- (l) Event Determination Date: [Event Determination Date Version A] (*This is equivalent to a CDS with two Notifying Parties*)
[Event Determination Date Version B] (*This is equivalent to a CDS with one Notifying Party*)
- (m) Obligation(s): [●]
- (n) Obligation Category: [With respect to each Reference Entity, as specified in the Physical Settlement Matrix]
(select one only)
- [Payment]
[Borrowed Money]
[Reference Obligations Only]
[Bond]
[Loan]
[Bond or Loan]
- (o) Obligation Characteristics: [With respect to each Reference Entity, as specified in the Physical Settlement Matrix]
(select all of which apply)
- [Not Subordinated]
[Specified Currency: [●] (*Specify currency*)]
[Standard Specified Currencies]
[Not Sovereign Lender]
[Not Domestic Currency:]
[Domestic Currency means: [●] (*Specify currency*)]
[Not Domestic Law]
[Listed]
[Not Domestic Insurance]
- (p) Additional Obligation(s): [●]
- (q) Excluded Obligations(s): [●]
- (r) Accrual of Interest upon Credit Event: [Applicable/Not Applicable]
- (s) Merger Event: [Applicable/Not Applicable]
- (t) Unwind Costs: [Standard Unwind Costs/[●] (*Give details*)/Not Applicable]
- (u) Trade Date: [Issue Date (*if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date*)/[●] (*Insert Trade Date of related swap transaction (if different from Issue Date)*)]
- (v) Specified Business Centre(s): [●]
- (w) Calculation Agent responsible for making calculations and determination pursuant to Condition 11: [●]

(x) Calculation Agent City:	[●]
(y) Terms relating to Cash Settlement:	[Applicable/Not Applicable] <i>(If not applicable, delete terms below relating to Cash Settlement)</i>
(z) Credit Event Redemption Amount:	[[●] (<i>Express per Calculation Amount</i>)/As specified in Condition 11(p)] [The Credit Event Redemption Amount in respect of each Calculation Amount shall be rounded to the nearest 0.01 in the Specified Currency with 0.005 rounded [up]wards] [See Schedule]
(aa) Credit Event Redemption Date:	[[●] Business Days/As specified in Condition 11(p)]
(bb) Valuation Date(s):	[Single Valuation Date: [●] Business Days] [Multiple Valuation Dates: [●] Business Days; and each [●] Business Days thereafter Number of Valuation Dates: [●]]
(cc) Valuation Time:	[●]
(dd) Quotation Method:	[Bid/Offer/Mid-market]
(ee) Quotation Amount:	[[●]/Representative Amount]
(ff) Minimum Quotation Amount:	[●]
(gg) Quotation Dealers:	[●]
(hh) Quotations:	[Include Accrued Interest/Exclude Accrued Interest]
(ii) Valuation Method:	[Market/Highest] [Average Market/Highest/Average Highest] [Blended Market/Blended Highest] [Average Blended Market/Average Blended Highest]
(jj) Valuation Obligations(s):	The following Deliverable Obligation Category and Deliverable Obligation Characteristics shall apply: Deliverable Obligation Category (<i>select one only</i>): [With respect to each Reference Entity, as specified in the Physical Settlement Matrix] [Payment] [Borrowed Money] [Reference Obligations Only] [Bond] [Loan] [Bond or Loan] Deliverable Obligation Characteristics (<i>select all of which apply</i>): [With respect to each Reference Entity, as specified

in the Physical Settlement Matrix]

[Not Subordinated]
[Specified Currency: [●] (*Specify currency*)]
[Standard Specified Currencies]
[Not Sovereign Lender]
[Not Domestic Currency]
[Domestic Currency means: [●] (*Specify currency*)]
[Not Domestic Law]
[Listed]
[Not Contingent]
[Not Domestic Issuance]
[Assignable Loan]
[Consent Required Loan]
[Direct Loan Participation]
[Qualifying Participation Seller: [●] (*Give details*)]
[Transferable]
[Maximum Maturity: [●]]
[Accelerated or Matured]
[Not Bearer]

Additional Deliverable Obligations:

[●]

Excluded Deliverable Obligation(s):

[●]

(kk) **Terms relating to Physical Settlement:**

[Applicable/Not Applicable]
(*If not applicable, delete terms below relating to Physical Settlement*)

(ll) Physical Settlement Period:

[With respect to each Reference Entity, as specified in the Physical Settlement Matrix/[●] Business Days]

(mm) Asset Amount:

[Include Accrued Interest/Exclude Accrued Interest]

(nn) Settlement Currency:

[●]

(oo) Deliverable Obligations:

[Applicable/Not Applicable]

(pp) Deliverable Obligation Category

[With respect to each Reference Entity, as specified in the Physical Settlement Matrix]

(*select one only*):

[Payment]
[Borrowed Money]
[Reference Obligations Only]
[Bond]
[Loan]
[Bond or Loan]

(qq) Deliverable Obligation Characteristics
(*select all of which apply*):

[With respect to each Reference Entity, as specified in the Physical Settlement Matrix]

[Not Subordinated]
[Specified Currency: [●] (*Specify currency*)]
[Standard Specified Currencies]
[Not Sovereign Lender]
[Not Domestic Currency]

	[Domestic Currency means: [●] (<i>Specify currency</i>)] [Not Domestic Law] [Listed] [Not Contingent] [Not Domestic Issuance] [Assignable Loan] [Consent Required Loan] [Direct Loan Participation] [Qualifying Participation Seller: [●] (<i>Give details</i>)] [Transferable] [Maximum Maturity: [●]] [Accelerated or Matured] [Not Bearer]
(rr) Additional Deliverable Obligations:	[●]
(ss) Excluded Deliverable Obligation(s):	[●]
(tt) Indicative Quotations:	[Applicable/Not Applicable]
(uu) Cut-off Date:	[●]
(vv) Delivery provisions for Asset Amount (including details of who is to make such delivery) if different from Terms and Conditions:	[●]
(ww) Terms relating to Auction Settlement:	[Applicable/Not Applicable] (<i>If not applicable, delete terms below relating to Auction Settlement</i>)
(xx) Auction Credit Event Redemption Amount:	[[●] (<i>Express per Calculation Amount</i>)/As specified in Condition 11(p)]
(yy) Auction Credit Event Redemption Date	[[●] Business Days/As specified in Condition 11(p)]
20 Fund Linked Note Provisions:	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
(a) Whether the Notes relate to a single Reference Fund or a Basket of Reference Funds (each an “ Underlying ”) and the identity of the relevant Reference Fund/Funds:	[Single Reference Fund/Basket of Reference Funds] [[●] (ISIN: [●]) (<i>If a Basket of Reference Funds, give details for each Reference Fund</i>)/See Schedule]
(b) Fund Interest Unit:	The [●] (<i>insert currency</i>) class of the (<i>shares/non-voting shares/participating shares/units</i>) of the Reference Fund (ISIN: [●])
(c) Fund Administrator:	[Not Applicable/[●] (<i>Give details</i>)]
(d) Fund Adviser:	[Not Applicable/[●] (<i>Give details</i>)]
(e) Fund Manager:	[Not Applicable/[●] (<i>Give details</i>)]
(f) Fund Service Provider:	[Not Applicable/[●] (<i>Give details</i>)]
(g) Coupon Observation Period(s):	[[●] (<i>Give details</i>)/Not Applicable]

- (h) Coupon Observation Date(s): [[●] (*Give details*)/Not Applicable]
- (i) Coupon Observation Time(s): [[●] (*Give details*)/Not Applicable]
- (j) Valuation Date(s): [[●] (*Give details*)/Not Applicable]
- (k) Averaging Date(s) in respect of: [[●] (*Give details*)/Not Applicable]
(*If not applicable, delete the remaining subparagraphs of this paragraph*)
- [Initial Fixing Date(s):] [[●]]
- [Coupon Observation Date(s):] [[●]]
- [Obligatory Redemption Observation Date(s):] [[●]]
- [Final Redemption Barrier Observation Date(s):] [[●]]
- [Final Redemption Observation Date(s):] [Valuation Date/[●] (*Specify other*)]
- [Adjustment provisions in the event of a Disrupted Day:] [Omission/Postponement/Modified Postponement]
(*N.B. only applicable where Averaging Date(s) are specified*)
- (l) Disrupted Day: [Applicable/Not Applicable]
(*If applicable, consider whether the provisions for calculation of the Reference Value if a Disrupted Day occurs which are included in Condition 8(f) are appropriate and, if they are not, insert appropriate provisions*)
- (m) Trade Date: [Issue Date (*if either (a) there is no related swap transaction or (b) the Trade Date of the related swap transaction is the same date as the Issue Date*)/[●] (*Insert Trade Date of related swap transaction (if different from Issue Date)*)]
- (n) Multiplier for each of the Reference Fund comprising the Basket of Reference Funds: [[●] (*Give details*)/Not Applicable]
- (o) Additional Fund Documents: [[●] (*Give details*)/Not Applicable]

PROVISIONS RELATING TO THE INTEREST BASIS (*see paragraph 9*)

21 General provisions relating to interest:

- (a) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[●] (*Specify other*)/Not Applicable]
- (b) Financial Centre(s): [[●] (*Give details*)/Not Applicable]
- (c) Day Count Fraction: [Actual/Actual]/
[Actual/Actual (ISDA)]/
[Actual/Actual - ICMA]/
[Actual/365 (Fixed)]/
[Actual/365 (Sterling)]/
[Actual/360]/
[30/360]/
[360/360]/
[Bond Basis]/

	[30E/360]/ [Eurobond Basis]/[30E/360 (ISDA)]/ [Other]
(d) Specified Period(s)/Specified Interest Payment Date(s):	[●]/[See paragraph 22]/[Not Applicable] (<i>Not Applicable for Fixed Rate Notes</i>)
(e) Interest Period:	[As specified in General Definitions/ (<i>Specify other period</i>)]
(f) Minimum Rate of Interest:	[[●] per cent. [per annum]/Not Applicable]
(g) Maximum Rate of Interest:	[[●] per cent. [per annum]/Not Applicable]
(h) Such other terms or special conditions as may be required:	[None/[●] (<i>Give details</i>)]
(i) General:	<i>(If any of the below are not applicable, delete the relevant sub-paragraphs)</i>
(ii) Coupon Performance:	[Basket/Best Of/Worst Of/Specific/“Nth” Worst Of/[●] (<i>Give details</i>)]
(iii) First Coupon Trigger Event:	[Coupon Trigger Event [1], [2] Applicable/[●] (<i>Give details</i>)/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
(iv) Second Coupon Trigger Event :	[Coupon Trigger Event [3], [4] Applicable/ [●] (<i>Give details</i>)/Not Applicable]
(v) Coupon Trigger Level _(i) :	[●]
(vi) Coupon Trigger 2 Level _(i) :	[●]
(vii) Coupon Value 1 _(i) :	[●]
(viii) Coupon Value 2 _(i) :	[●]
(ix) Coupon Value 3 _(i) :	[●]
(x) Coupon Cap _(i) :	[●]
(xi) Coupon Floor _(i) :	[●]
(xii) Applicable Rate:	[●]
(xiii) Lower Coupon Trigger:	[●]
(xiv) Upper Coupon Trigger:	[●]
(xv) Call Strike _(i) :	[●]

i	Coupon Observation Date/Period	Specified Interest Payment Date	Coupon Value 1 (%)	Coupon Value 2 (%)	Coupon Value 3 (%)	Coupon Trigger (%)	Coupon Trigger 2 (%)	Coupon Floor	Coupon Cap
				<i>(to be deleted if N/A)</i>	<i>(to be deleted if N/A)</i>				
1	<i>(Insert date or period)</i>	<i>(insert date)</i>	<i>(e.g. 3%)</i>	<i>(e.g. 3%)</i>	<i>(e.g. 1%)</i>	<i>(e.g. 70%)</i>	<i>(e.g. 60%)</i>	<i>(e.g. 1%)</i>	<i>(e.g. 5%)</i>

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- 22 **Fixed Rate Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Rate(s) of Interest: [●] per cent. [per annum] [payable [annually/semi-annually/quarterly/[●] (*Specify other*)] in arrear]
- (b) Interest Payment Date(s): [●] [in each year][[provided that, if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, “Business Day” means a day on which commercial banks and foreign exchange markets settle payment and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong.] (*N.B. the bracketed wording should only be used in the case of Fixed Rate Notes denominated in Renminbi where the Interest Payment Dates are subject to modification.*)]
- (c) Determination Date(s): [●] [in each year]/[Not Applicable]
(Insert regular interest payment dates, ignoring the Issue Date and the Maturity Date in the case of a long or short first or last coupon)
(N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration)
(N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))
- (d) Fixed Coupon Amount(s): [[●] per Calculation Amount][Not Applicable][[Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, with CNY0.005 being rounded upwards.] (*N.B. The last option should only be used in the case of Fixed Rate Notes denominated in Renminbi where the Interest Payment Dates are subject to modification*)]
- (e) Broken Amount(s): [[●] (*Insert particulars of any initial or final broken interest amounts which do not*

- correspond with the Fixed Coupon Amount and the Interest Payment Dates to which they relate)/Not Applicable]*
- 23 **Floating Rate Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Manner in which the Rate(s) of Interest and/or Interest Amount is/are to be determined: [Screen Rate Determination/ISDA Determination/ [●] (*Specify other*)]
- (b) Screen Rate Determination: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Reference Rate: [●]
(Either LIBOR, EURIBOR or other; although additional information is required if other – including fallback provisions in the Agency Agreement)
- (ii) Determination Date(s): [●]/[Not Applicable]
(Second London Business Day prior to the start of each Interest Period if LIBOR (other than euro (LIBOR)) and the second day on which the TARGET 2 is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
- (iii) Relevant Screen Page: [●]
(In the case of EURIBOR, if not Reuters EURIBOR 01, ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (c) ISDA Determination: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Floating Rate Option: [●]
- (ii) Designated Maturity: [●]
- (iii) Reset Date: [●]
- (iv) ISDA Definitions (*if different from those set out in the Terms and Conditions*): [●]
- (d) Margin(s): [[+/-][●] per cent. [per annum]/Not Applicable]
- (e) Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Terms and Conditions: [●]

- 24 **Zero Coupon Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) [Amortisation/Accrual] Yield: [●] per cent. [per annum]
- (b) Reference Value: [●]
- (c) Day Count Fraction in relation to Early Redemption Amounts and Late Payment: [Conditions [Redemption and Purchase - Early Redemption Amounts] [5(g)] and [- Late Payment on Notes on which no Interest is Due] [5(l)] apply/[●] (*Specify other*)]
(Consider applicable day count fraction if not U.S. dollar denominated)
- (d) Any formula/basis of determining amount payable: [●]
- 25 **Currency Linked Interest Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Description of formula to be used to determine the Rate of Interest and/or Interest Amount: [[●] (*Give details*)/See Schedule/Interest Amount _(i) in respect of Specified Interest Payment Date _(i) shall be an amount determined in accordance with Coupon Mechanism [1/2/3/4/5/6/7/8] set out in Annex I of the Conditions.]
- (b) Provisions for determining the Rate of Interest and/or Interest Amount where calculation by reference to the Currency or Currencies and/or formula is impossible or impracticable: [Applicable/Not Applicable]
(If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions)
- 26 **Commodity Linked Interest Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- Description of formula to be used to determine the Rate of Interest and/or Interest Amount: [[●] (*Give details*)/See Schedule/Interest Amount _(i) in respect of Specified Interest Payment Date _(i) shall be an amount determined in accordance with Coupon Mechanism [1/2/3/4/5/6/7/8] set out in Annex I of the Conditions.]
- 27 **Index Linked Interest Note Provisions:** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- Description of formula to be used to determine the Rate of Interest and/or Interest Amount: [[●] (*Give details*)/See Schedule/Interest Amount _(i) in respect of Specified Interest Payment Date _(i) shall be an amount determined in accordance with Coupon Mechanism [1/2/3/4/5/6/7/8] set out in Annex I of the Conditions.]

28	Equity Linked Interest Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	Description of formula to be used to determine the Rate of Interest and/or Interest Amount:	[[•] (Give details)/See Schedule/Interest Amount ⁽ⁱ⁾ in respect of Specified Interest Payment Date ⁽ⁱ⁾ shall be an amount determined in accordance with Coupon Mechanism [1/2/3/4/5/6/7/8] set out in Annex I of the Conditions.]
29	Credit Linked Interest Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	Description of formula to be used to determine the Rate of Interest and/or Interest Amount:	[[•] (Give details)/See Schedule/Interest Amount ⁽ⁱ⁾ in respect of Specified Interest Payment Date ⁽ⁱ⁾ shall be an amount determined in accordance with Coupon Mechanism [1/2/3/4/5/6/7/8] set out in Annex I of the Conditions.]
30	Fund Linked Interest Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	Description of formula to be used to determine the Rate of Interest and/or Interest Amount:	[[•] (Give details)/See Schedule/Interest Amount ⁽ⁱ⁾ in respect of Specified Interest Payment Date ⁽ⁱ⁾ shall be an amount determined in accordance with Coupon Mechanism [1/2/3/4/5/6/7/8] set out in Annex I of the Conditions.]
31	Dual Currency Interest Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph) (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value, the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply)</i>
	(a) Rate(s) of Exchange/method of calculating Rate(s) of Exchange:	[[•] (Give details)/See Schedule/Screen Page: [•]/Bloomberg®/Reuters]
	(b) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable:	[Applicable/Not Applicable] <i>(If applicable, need to include a description of market disruption or settlement disruption events and adjustment provisions)</i>
PROVISIONS RELATING TO OPTIONAL REDEMPTION AND FINAL REDEMPTION AMOUNT		
32	Issuer Call: (Condition 5(c))	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>

	(a) Optional Redemption Date(s):	[●]
	(b) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●]
	(c) If redeemable in part:	
	(i) Minimum Redemption Amount:	[●]
	(ii) Higher Redemption Amount:	[●]
	(d) Notice Period:	[As specified in Condition 5(c)/(Specify other period or date)]
33	Investor Put: (Condition 5(d))	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(a) Optional Redemption Date(s):	[●]
	(b) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s):	[●]
	(c) Notice period:	[As specified in Condition 5(d)/(Specify other)]
34	Obligatory Redemption: (Condition 5(f))	[Applicable, upon the occurrence of an Obligatory Redemption Trigger Event/[●](specify)/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(a) Obligatory Redemption Date:	[[●]/In respect of an Obligatory Redemption Trigger Event ⁽ⁱ⁾ , Potential Obligatory Redemption Date ⁽ⁱⁱ⁾]
	(b) Obligatory Redemption Amount of each Note and method, if any, of calculation of such amount:	[[●] per Note/Par/[●] (Specify other)/See below/See Schedule/Not Applicable/An amount determined in accordance with Obligatory Redemption Mechanism [1/2] set out in Annex I of the Conditions.]
	(c) General:	<i>(If any of the below are not applicable, delete the relevant sub-paragraphs)</i>
	(iii) Obligatory Principal Redemption Value	[●]
	(iv) Obligatory Redemption Value:	[●]
	(v) Obligatory Redemption Performance:	[Basket/Best Of/Worst Of/Specific/“Nth” Worst Of/[●] (Give details)]
	(vi) Obligatory Redemption	[Trigger Event 1/2/3/4/5/6/7/8 Applicable/Not

	Trigger Event:			Applicable]				
(vii)	Obligatory	Redemption		[●]				
	Trigger Level _(i) :							
(viii)	Obligatory	Redemption		[●]				
	Strike _(i) :							
(ix)	Obligatory	Redemption		[●]				
	Cap:							
(x)	Obligatory	Redemption		[●]				
	Gearing :							
(xi)	Obligatory	Redemption		[(Give details and specify if consecutive or				
	Trigger Specified Number			not)/Not Applicable]				
	of Days:							
(xii)	Obligatory	Redemption		[●]				
	Observation Time:							
i	Obligatory	Obligatory	Obligatory	Obligatory	Obligatory	Obligatory	Obligatory	Obligatory
	Observation	Redemption	Redemption	Redemption	Principal	Redemption	Redemption	Redemption
	Date/Periods	Date	Trigger (%)	Value (%)	Redemption	Cap (%)	Strike (%)	Gearing
					(%)			(%)
1	(Insert date	(insert date)	(e.g. 3%)	(e.g. 3%)	(e.g. 70%)	(e.g. 5%)	(e.g. 100%)	(e.g. 120%)
	or period)							
2								
3								
4								
35	Final Redemption Amount of each							
	Note:							
36	Such other terms or special			[None/[●] (Give details)]				
	conditions as may be required:							

PROVISIONS RELATING TO THE REDEMPTION BASIS (see paragraph 10)

37 General Provisions Relating to Redemption:

- | | | |
|-----|--|---|
| (a) | Partly Paid Notes: | [Applicable (Give details)/Not Applicable] |
| (b) | Instalment Notes: | [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-
paragraphs of this paragraph) |
| | Instalment Date(s): | [●] |
| | Instalment Amount(s): | [●] |
| (c) | Early Redemption Amount: | [As defined in the Conditions/[●] (Specify other)] |
| (d) | Adjustment for Early
Redemption Unwind Costs: | [Applicable/Not Applicable]
(If applicable:) |

		[Standard Early Redemption Unwind Costs/[●] (Specify other)]
(e)	General:	(If any of the below are not applicable, delete the relevant sub-paragraphs)
(i)	Final Redemption Performance:	[Basket/Best Of/Worst Of/Specific/"Nth" Worst Of/[●] (Give details)]
(ii)	Final Redemption Barrier Performance:	[Basket/Best Of/Worst Of/Specific/"Nth" Worst Of/[●] (Give details)]
(iii)	Final Redemption Barrier Breach Event:	[Barrier Event [1]/[2]/[3]/[4] Applicable/Not Applicable]
(iv)	Final Redemption Barrier Level:	[Applicable/Not Applicable]
(v)	Final Redemption Value:	[●] per cent. /specify other
(vi)	FR_Bonus_1:	[(insert details)/Not Applicable]
(vii)	FR_Bonus_2:	[(insert details)/Not Applicable]
(viii)	FR_Bonus_3:	[(insert details)/Not Applicable]
(ix)	FR_Bonus_4:	[(insert details)/Not Applicable]
(x)	FR_Cap_1:	[(insert details)/Not Applicable]
(xi)	FR_Cap_2:	[(insert details)/Not Applicable]
(xii)	FR_Cap_3:	[(insert details)/Not Applicable]
(xiii)	FR_Cap_4:	[(insert details)/Not Applicable]
(xiv)	FR_Gearing_1:	[(insert details)/Not Applicable]
(xv)	FR_Gearing_2:	[(insert details)/Not Applicable]
(xvi)	FR_Gearing_3:	[(insert details)/Not Applicable]
(xvii)	FR_Gearing_4:	[(insert details)/Not Applicable]
(xviii)	FR_Strike_1:	[(insert details)/Not Applicable]
(xix)	FR_Strike_2:	[(insert details)/Not Applicable]
(xx)	FR_Strike_3:	[(insert details)/Not Applicable]
(xxi)	FR_Strike_4:	[(insert details)/Not Applicable]
(xxii)	Spread:	[(insert details)/Not Applicable]
(xxiii)	Final Redemption Observation Period(s):	[[●] (Give details)/Not Applicable]
(xxiv)	Final Redemption Observation Date(s):	[[●] (Give details)/Not Applicable]
(xxv)	Final Redemption Barrier Observation Period(s):	[●]
(xxvi)	Final Redemption	[●]

	Barrier Observation Date(s):	
	(xxvii) Final Redemption Barrier Observation Time:	[●]
38	Currency Linked Redemption Notes:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(a) Relevant provisions for determining the Final Redemption Amount:	[The Final Redemption Amount of each Note shall be determined in accordance with Final Redemption Mechanism [1/2/3/4] set out in Annex I of the Conditions / [●] (specify other)]
	(b) Provisions for determining Final Redemption Amount where calculation by reference to the Currency/Currencies and/or formula is impossible:	[●] <i>(Only relevant for Currency Linked Notes because no Terms and Conditions)</i>
	(c) Such other terms or special conditions as may be required:	[●]
39	Commodity Linked Redemption Notes:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(a) Relevant provisions for determining the Final Redemption Amount:	[The Final Redemption Amount of each Note shall be determined in accordance with Final Redemption Mechanism [1/2/3/4] set out in Annex I of the Conditions / [●] (specify other)]
	(b) Such other terms or special conditions as may be required:	[●]
40	Index Linked Redemption Notes:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(a) Relevant provisions for determining the Final Redemption Amount:	[The Final Redemption Amount of each Note shall be determined in accordance with Final Redemption Mechanism [1/2/3/4] set out in Annex I of the Conditions / [●] (specify other)]
	(b) Such other terms or special conditions as may be required:	[●]
41	Equity Linked Redemption Notes:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(a) Whether redemption of the Notes will be by (i) Cash Settlement or (ii) Physical Delivery or (iii) Cash Settlement and/or Physical Delivery:	[Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery] <i>(If Cash Settlement and/or Physical Delivery is specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply)</i>
	(b) Relevant provisions for determining the Final	[The Final Redemption Amount of each Note shall be determined in accordance with Final

	Redemption Amount:	Redemption Mechanism [1/2/3/4] set out in Annex I of the Conditions /[●](specify other)]
	(c) Physical Delivery:	[Applicable if a Final Redemption Barrier Breach Event has not occurred]/[Applicable if a Final Redemption Barrier Breach Event has occurred] /[Applicable in accordance with Final Redemption Mechanism 4]/[Not Applicable]
	(d) Relevant Assets:	[●] (Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery)
	(e) Asset Amount:	[●] per Calculation Amount/[●] (specify other) (Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery)
	(f) Cut-off Date:	[●] (Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery)
	(g) Delivery provisions for Asset Amount (including details of who is to make such delivery) if different from Terms and Conditions:	[●] (Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery)
	(h) Clearance System:	[●] (Only applicable for Physical Delivery or Cash Settlement and/or Physical Delivery)
	(i) Such other terms or special conditions as may be required:	[●]
42	Credit Linked Redemption Notes:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(a) Settlement:	
	(i) Settlement Method:	[Cash Settlement/Physical Settlement/Auction Settlement]
	(ii) Fallback Settlement Method:	[Cash Settlement/Physical Settlement/Not Applicable]
	(b) Relevant provisions for determining the Final Redemption Amount:	[The Final Redemption Amount of each Note shall be determined in accordance with Final Redemption Mechanism [1/2/3/4] set out in Annex I of the Conditions /[●](specify other)]
	(c) Such other terms or special conditions as may be required:	[None/[●] (Give details)]
43	Fund Linked Redemption Notes:	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(a) Relevant provisions for determining the Final Redemption Amount:	[The Final Redemption Amount of each Note shall be determined in accordance with Final Redemption Mechanism [1/2/3/4] set out in Annex I of the Conditions /[●](specify other)]
	(b) Redemption Fees:	[[●] (Give details)/Not Applicable]

- (c) Relevant Provisions for determining certain Trigger Events:
- (i) Reporting Disruption: [●] (*Insert time period*)
 - (ii) NAV Disruption Event: [●] (*Insert applicable number of days*)
 - (iii) NAV Trigger Event: [●] (*Insert percentage amount and period*)
 - (iv) Key Person Event: [●] (*Give details of key person(s)*)
 - (v) Minimum Outstanding amount of Notes: Occurs where the relevant aggregate nominal amount of Notes outstanding is less than [●] (*Insert amount if different from USD 200,000*) or its equivalent in the Specified Currency
 - (vi) Benchmark Change: The benchmark in respect of [the] [each] Reference Fund shall be [●] (*Insert amount*)
 - (vii) Assets Under Management Trigger: Occurs where the applicable level shall be [●] (*Insert amount if different from Condition 9*)
 - (viii) Additional Trigger Events: [[●] (*Give details*)/Not Applicable]
 - (d) Fund Business Day: [[●] (*Give details*)/Not Applicable]
 - (e) Cut-off Period: [●]
 - (f) Final Cut-off Date: [[●] (*Give details*)/Not Applicable]
 - (g) Hedging Party: [[●] (*Give details*)/Not Applicable]
 - (h) Such other terms or special conditions as may be required: [None/[●] (*Give details*)]
- 44 **Dual Currency Redemption Notes:** [Applicable/Not Applicable]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (a) Relevant provisions for determining the Final Redemption Amount: [The Final Redemption Amount of each Note shall be determined in accordance with Final Redemption Mechanism [1/2/3/4] set out in Annex I of the Conditions /[●](specify other)/[●]]
 - (b) Such other terms or special conditions as may be required: [None/[●] (*Give details*)]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 45 Form of Notes: [Bearer Notes/Registered Notes]
[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances set out in the Permanent Global Note [and/or by the holder giving [60] days' notice to the Fiscal Agent of its election for exchange]]
[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
[Global Certificate exchangeable for Definitive Certificates in the limited circumstances specified

in the Global Certificate]

(Ensure that this is consistent with the wording in the “Form of the Notes” section in the Base Prospectus and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: “[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]”. Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes)

- 46 Financial Centre(s) or other special provisions relating to Payment Days in Condition 12(f):

[[●] (Give details)/Not Applicable]

(Note that this paragraph relates to the place of payment and not to Payment Day/Interest Period End Dates)

(N.B. Provision 21(b) Financial Centre(s))

Financial Centre(s) or other special provisions relating to Business Day:

[[●] (Give details)/Not Applicable]

- 47 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):

[Yes/No] *(If Yes, give details)*

- 48 Other final terms:

[[●] (Give details)/Not Applicable]

(When adding any other final terms, consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

- 49 Further Issues provision:

[Condition 19 applies/[●] (insert alternative provision if required)]

DISTRIBUTION

- 50 (a) If syndicated, names and addresses of Dealers and underwriting commitments:

[Applicable/Not Applicable]

(If applicable, include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Dealers)

- (b) Date of Subscription Agreement:

[[●] (Give details)/Not Applicable]

- (c) Stabilising Manager(s):

[[●] (Give name)/Not Applicable]

- (d) If non-syndicated, name and address of relevant Dealer:

[[●] (Insert name and address)/Not Applicable]

- (e) Total commission and concession:

[[●] per cent. of the aggregate nominal amount/Certain fees or commissions will be payable to third party distributors and/or the Notes

- will be sold at a discount to the Issue Price on the primary sale of the Notes/Not Applicable/[●] (*Specify other*)
- (f) U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA D/TEFRA C/TEFRA Not Applicable] [Rule 144A]
- 51 Additional selling restrictions: [Not Applicable/[●] (*Give details*)]
- 52 Additional United States Tax Considerations: [Applicable/Not Applicable] (*If applicable, specify*) (*N.B. Obtain U.S. tax advice in case of non-principal protected notes, notes that are treated as non-functional currency contingent payment debt instruments under Treasury Regulation 1.988-6, notes that provide for physical settlement or partly paid notes.*)

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [Euronext Amsterdam by NYSE Euronext/Regulated Market of the Luxembourg Stock Exchange/SIX Swiss Exchange/[●] *Specify other*]] of the Notes described herein pursuant to the Structured Medium Term Note Programme of Rabobank Structured Products.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms [and to the best knowledge and belief of the Issuer the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information. As at the date of these Final Terms, there has been no material adverse change in the financial position of the Issuer since [●]. Information on the [[Equity Issuer(s)] / [Index/Indices] / [Reference Fund(s)] / [Reference Obligation(s)] / [Commodity/Commodities] / [Currency]] (the “**Reference Information**”) has been extracted from [●] [and/or other publicly available information]. The Issuer confirms that the Reference Information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: _____

Duly authorised

PART B – OTHER INFORMATION¹¹

1 LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Euronext Amsterdam by NYSE Euronext/Regulated Market of the Luxembourg Stock Exchange/SIX Swiss Exchange/[●] (*Specify other relevant regulated market and, if relevant, admission to an official list*)] with effect from[, at the earliest, the Issue Date/[●] (*Specify date*)].]/[Not Applicable]
- [Price quotation: The Notes are traded or quoted [at a full price (dirty price), i.e. the trading price includes accrued interest (if any)]/[at a clean price, i.e. the trading price does not include accrued interest (if any) which is calculated separately].]¹²
- (ii) Estimate of total expenses related to admission to trading: [●]

2 RATINGS

- Ratings: [The Notes to be issued have not been rated.
- Credit ratings in relation to the Issuer included or referred to in these Final Terms and the Base Prospectus[, as so supplemented,] have been issued by Standard & Poor's, Moody's and Fitch Ratings Ltd, each of Fitch, Moody's and S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.
- [The Notes to be issued have been rated:
- [Standard & Poor's: [●]
- [Moody's: [●]
- [Other: [●]]
- [The rating is by a registered rating agency established in the EU]/[The rating is by an unregistered rating agency established outside the EU]/[The rating agency is established in the EU and is applying to be registered but has not yet been registered]/[The rating is by a third country rating agency that is endorsed by an EU registered agency]/[The rating is by a third country rating agency that has not applied to be registered but is certified in accordance with such Regulation.]]
- (Need to include a brief explanation of the meaning of the ratings if this has previously been published*

¹¹ If an issue of Notes is **not** to be admitted to trading on a regulated market in the EEA or offered to the public in the EEA, then only paragraphs 1 and 13 need to be completed and paragraphs 2 to 12 should be deleted.

¹² Insert if the Notes are listed on the SIX Swiss Exchange.

by the rating provider.)

(The above disclosure should reflect the ratings allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. - *Amend as appropriate if there are other interests*]

(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

4 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(a) [Reasons for the offer (other than general corporate purposes):

[●]]

(See “Use of Proceeds” wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

(b) Estimated net proceeds:

[●]

(If proceeds are intended for more than one use, will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

(c) Estimated total expenses:

[●]

(Expenses are required to be broken down into each principal intended “use” and presented in order of priority of such “uses”).

(N.B. If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (a) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (a), disclosure of net proceeds and total expenses at (b) and (c) above are also required.)

5 YIELD (*Fixed Rate Notes only*)

Indication of yield:

[●]

[Calculated as (include details of the method of calculation in brief form) on the Issue Date.]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6 HISTORIC INTEREST RATES (*Floating Rate Notes only*)

Details of historic [LIBOR/EURIBOR/[●] *Specify other*] rates can be obtained from [Reuters]/[●] *Specify other*].

- 7 PERFORMANCE OF INDEX/INDICES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE INDEX/INDICES** (*Index Linked Notes only*)
- (If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)*
- (Need to include details of where past and future performance and volatility of the index/formula can be obtained.)*
- (Where the underlying is an index, need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer, need to include details of where the information about the index can be obtained.)*
- (Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)*
- (When completing the above paragraphs, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*
- [The Issuer does not intend to provide post-issuance information.]
- (N.B. This paragraph 7 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*
- 8 PERFORMANCE OF RATE(S) OF EXCHANGE/FORMULA/CURRENCIES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE RATE(S) OF EXCHANGE/FORMULA/CURRENCIES** (*Currency Linked Notes only*)
- (If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)*
- (Need to include details of where past and future performance and volatility of the [relevant rates/formula/currencies] can be obtained.)*
- (Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)*
- (When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*
- [The Issuer does not intend to provide post-issuance information.]
- (N.B. This paragraph 8 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*
- 9 PERFORMANCE OF THE COMMODITY/COMMODITIES, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE COMMODITY/COMMODITIES** (*Commodity Linked Notes only*)
- (If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)*
- (Need to include details of where past and future performance and volatility of [the Commodity] can be obtained.)*
- (Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)*

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

[The Issuer does not intend to provide post-issuance information.]

(N.B. This paragraph 9 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

10 **PERFORMANCE OF RATE(S) OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND OTHER INFORMATION CONCERNING THE UNDERLYING** *(Dual Currency Notes only)*

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(Need to include details of where past and future performance and volatility of the relevant rates can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

[The Issuer does not intend to provide post-issuance information.]

(N.B. This paragraph 10 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

11 **PERFORMANCE OF EQUITY/EQUITIES/REFERENCE FUND/FUNDS, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE EQUITY/EQUITIES/REFERENCE FUND/FUNDS** *(Equity Linked Notes and Fund Linked Notes only)*

(If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(Need to include details of where past and future performance and volatility of the relevant [equity/basket of equities/fund] can be obtained.)

(Where the underlying is Equity or an investment or mutual fund, need to include the name of the underlying and need to include details of where the information about the Equity can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

[The Issuer does not intend to provide post-issuance information.]

(N.B. This paragraph 11 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

12 **INFORMATION IN RELATION TO THE REFERENCE ENTITY, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE REFERENCE ENTITY** *(Credit Linked Notes only)*

(If there is a derivative component in the interest or the Notes are derivative securities to

which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.)

(Need to include details of the Reference Entity and of where information on the Reference Entity can be obtained.)

(Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.)

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

[The Issuer does not intend to provide post-issuance information.]

(N.B. This paragraph 12 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

13 **OPERATIONAL INFORMATION**

- | | |
|---|--|
| (a) ISIN: | <p>[●]</p> <p><i>(If fungible with an existing Series insert:)</i></p> <p>[Pending consolidation with the Tranche 1 Notes:</p> <p>[●]</p> <p>Following consolidation with the Tranche 1 Notes:</p> <p>[●]]</p> |
| (b) Common Code: | <p>[●]</p> <p><i>(If fungible with an existing Series insert:)</i></p> <p>[Pending consolidation with the Tranche 1 Notes:</p> <p>[●]</p> <p>Following consolidation with the Tranche 1 Notes:</p> <p>[●]]</p> |
| (c) The Depository Trust Company: | [Not Applicable/Give name and CUSIP NUMBER] |
| (d) Any clearing system(s) other than DTC, Euroclear Bank S.A./N.V. and Clearstream Banking, <i>société anonyme</i> and the relevant identification number(s): | <p>[Not Applicable/Give name(s) and number(s)]</p> <p>[Applicable:</p> <p>SIX SIS AG, Baslerstrasse 100, 4600 Olten, Switzerland</p> <p>Swiss Valoren code: [●]]¹³</p> |
| (e) Delivery: | Delivery [against/free of] payment |
| (f) Names (and addresses) of additional (Paying/Delivery) Agent(s) (if any): | <p>Not Applicable/[●]</p> <p>[Applicable:</p> <p>BNP Paribas Securities Services, Zurich Branch, Selnaustrasse 16, 8002 Zurich, Switzerland]¹⁴</p> |
| (g) Names (and addresses) of Calculation Agent(s) (if different from Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International)): | Not Applicable/[●] |
| (h) Minimum Trading Size: | Not Applicable/[●] |

¹³

Insert if the Notes are to be listed on the SIX Swiss Exchange.

¹⁴

Insert if the Notes are to be listed on the SIX Swiss Exchange.

[Annex 1 : [Dutch] language description of principal terms of the Notes]

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Notes (the “**Terms and Conditions**”) that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these Terms and Conditions together with the relevant provisions of Part A of the Final Terms or (ii) these Terms and Conditions, as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes in definitive form or on the Certificates relating to such Registered Notes.*

All capitalised terms that are not defined in these Terms and Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the Definitive Notes or Certificates, as the case may be. References in the Terms and Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

This Note is one of a Series (as defined below) of Notes (the “**Notes**”) issued by Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (the “**Issuer**” or “**Rabobank Structured Products**”).

References herein to the Notes shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes in bearer form represented by a temporary or permanent global note (each a “**Global Note**”), units of the lowest Specified Denomination in the Specified Currency;
- (b) any Global Note;
- (c) any Global Certificate;
- (d) any definitive Notes in bearer form issued in exchange for a Global Note (“**Definitive Notes**”); and
- (e) any individual certificates issued in exchange for a Global Certificate (“**Definitive Certificates**” and together with Global Certificates, “**Certificates**”).

The Notes are issued pursuant to an amended and restated agency agreement (as amended or supplemented as at the date of issue of the Notes (the “**Issue Date**”)) between the Issuer, Deutsche Bank AG, London Branch as issuing and paying agent (the “**Issuing and Paying Agent**”), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International) as Euroclear Netherlands fiscal agent (the “**Euroclear Netherlands Fiscal Agent**”) and the other agents named (each a “**Paying Agent**” and together with the Issuing and Paying Agent and the Euroclear Netherlands Fiscal Agent, the “**Paying Agents**”) therein, Deutsche Bank Trust Company Americas as registrar (the “**Registrar**”, which expression shall include any successor registrar), as exchange agent (the “**Exchange Agent**”, which expression shall include any successor exchange agent) and as a transfer agent (together with the Registrar, the “**Transfer Agents**”, which expression shall include any additional or successor transfer agents) dated 22 June 2012 (the “**Agency Agreement**”). The Notes have the benefit of a covenant (as amended or supplemented as at the Issue Date) dated 22 June 2012 executed by the Issuer in relation to the Notes (the “**Covenant**”). The Noteholders, the holders of the interest coupons (the “**Coupons**”) appertaining to interest bearing Notes and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) and the holders of the receipts for the payment of instalments of principal (the “**Receipts**”) relating to Notes of which the principal is payable in instalments (the “**Receiptholders**”) are deemed to have taken notice of and to have accepted all of the provisions of the Agency Agreement applicable to them. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons.

The relevant Final Terms for the Notes (or the relevant provisions thereof) are attached to or endorsed on the Notes which supplement these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of the Notes. References to the “**relevant Final Terms**” are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on the Notes.

As used herein, “**Tranche**” means Notes which are identical in all respects (including as to listing and admission to trading) and “**Series**” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Agency Agreement, the Covenant and the ISDA Definitions (as defined below) are available for viewing during normal business hours at the specified offices of each of the Paying Agents.

Copies of the relevant Final Terms are available for viewing at the registered office of the Issuer and the specified offices of the Paying Agents and copies may be obtained during normal business hours at the specified office of each of the Paying Agents save that, if this Note is neither listed on a stock exchange nor admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the relevant Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. The Base Prospectus and, in the case of Notes admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, the relevant Final Terms will also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Covenant and the relevant Final Terms which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the relevant Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the relevant Final Terms, the relevant Final Terms will prevail.

In these Terms and Conditions:

General Definitions:

- | | |
|--------------------------|---|
| “ Affiliate ” | Any entity controlled, directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer, or any entity under common control with the Issuer. As used herein “ control ” means the ownership of a majority of the voting power of the entity and “ controlled by ” and “ controls ” shall be construed accordingly. |
| “ Broken Amount ” | The amount specified as such in the relevant Final Terms. |
| “ Business Day ” | A day which is both: <ul style="list-style-type: none">(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the Financial Centres specified in the relevant Final Terms; and(b) any of (i) in relation to any sum payable in a Specified Currency |

other than euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre(s) of the country of the relevant Specified Currency (if other than any Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Wellington, respectively) or (ii) in relation to any sum payable in euro, a day on which the TARGET System is operating or (iii) in relation to any sum payable in Renminbi, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business and settlement of payments in Renminbi in Hong Kong.

“Calculation Agent”

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International) or, if different, as specified in the relevant Final Terms. All determinations and calculations made by the Calculation Agent shall be made by it in its sole discretion and in good faith, acting reasonably and on an arm’s-length basis. All such determinations and calculations so made shall be final and binding (save in the case of manifest error) on all parties. The Calculation Agent shall have no liability or responsibility to any person in relation to the determinations or calculations provided in connection herewith, except in the case of wilful default or bad faith. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Notes, including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and neither the Calculation Agent nor the Issuer shall, in the absence of wilful misconduct and gross negligence, bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

“Calculation Amount”

The calculation amount of the Notes as specified in the relevant Final Terms.

“Clearstream”

Clearstream Banking, *société anonyme*.

“Day Count Fraction”

In respect of the calculation of an amount of interest for any Interest Period:

- (a) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (b) if “Actual/Actual - ICMA” is specified in the relevant Final Terms,
 - (i) if the Interest Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Interest Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Periods normally ending in any year; and (ii) if the

Interest Period is longer than one Determination Period, the sum of: (A) the number of days in such Interest Period falling in the Determination Period in which it begins divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Periods normally ending in any year; and (B) the number of days in such Interest Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Periods normally ending in any year;

- (c) if “Actual/365 (Fixed)” is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365;
- (d) if “Actual/365 (Sterling)” is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (e) if “Actual/360” is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 360;
- (f) if “30/360”, “360/360” or “Bond Basis” is specified in the relevant Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula based as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (g) if “30E/360” or “Eurobond Basis” is specified in the relevant Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (h) if “30E/360 (ISDA)” is specified in the relevant Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii)

such number would be 31 and in which case D_2 will be 30.

“Delivery Agent”	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International) or, if different, such other party as specified in the relevant Final Terms.
“Determination Date”	The date specified in the relevant Final Terms or, if none is so specified, (i) the first day of the relevant Interest Accrual Period if the Specified Currency is Sterling or Renminbi, (ii) the day falling two Business Days for the relevant Specified Currency prior to the first day of the relevant Interest Accrual Period if the Specified Currency is neither Sterling, euro nor Renminbi or (iii) the day falling two TARGET Business Days prior to the first day of the relevant Interest Accrual Period if the Specified Currency is euro.
“Determination Period”	Each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not an Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).
“DTC”	The Depository Trust Company and any successor thereto.
“Early Redemption Amount”	An amount equal to the market value of each Note on the date of redemption, adjusted, if so specified in the relevant Final Terms, to account for Early Redemption Unwind Costs.
“Early Redemption Unwind Costs”	The amount specified in the relevant Final Terms or, if “Standard Early Redemption Unwind Costs” are specified in the relevant Final Terms, an amount determined by the Calculation Agent in its sole and absolute discretion equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Issuer in connection with the redemption of the Notes and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned pro rata among each nominal amount of Notes in the Specified Denomination.
“EURIBOR”	The Euro-zone inter-bank offered rate.
“euro”	The lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended by the Treaty on the European Union (signed in Maastricht on 7 February 1992) (the “ EC Member States ”).
“Euroclear”	Euroclear Bank S.A./N.V.
“Exchange Act”	The U.S. Securities Exchange Act of 1934.
“Exchange Event”	(a) an Event of Default (as defined in Condition 15) has occurred and is continuing, or (b) the Issuer has been notified that both Euroclear and Clearstream and/or, if applicable, Euroclear Netherlands and/or, if

applicable, any other clearing system has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no Alternative Clearing System is available.

“Exchange Rate”	means the Exchange Rate specified in the relevant Final Terms
“Exercise Notice”	Has the meaning contained in Condition 5(d).
“Final Redemption Amount”	means the Final Redemption Amount specified in the relevant Final Terms.
“Fiscal Agent”	The Issuing and Paying Agent if the (Global) Notes are or will be deposited with Euroclear or Clearstream or the Euroclear Netherlands Fiscal Agent if the (Global) Notes are or will be solely deposited with Euroclear Netherlands.
“Global Certificate”	A permanent Registered global certificate which will initially represent Registered Notes issued by the Issuer which are sold in the United States to qualified institutional buyers within the meaning of Rule 144A under the Securities Act.
“holder”	The bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered, as the case may be.
“Initial Level”	The level (if any) specified as such in the relevant Final Terms.
“Interest Amount”	<p>(a) In respect of an Interest Period, the amount of interest payable per Calculation Amount for that Interest Period and which, in the case of Fixed Rate Notes, and unless otherwise specified in the relevant Final Terms, shall mean the Fixed Coupon Amount or Broken Amount specified in the relevant Final Terms as being payable on the Interest Payment Date ending the Interest Period; and</p> <p>(b) In respect of any other period, the amount of interest payable per Calculation Amount for that period.</p>
“Interest Commencement Date”	The Issue Date unless otherwise specified in the relevant Final Terms.
“Interest Payment Date”	The date on which interest for the relevant period falls due as specified in the relevant Final Terms.
“Interest Period”	The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date, unless otherwise specified in the relevant Final Terms.
“Interest Period End Date”	The last day of each Interest Period.
“Intervening Period”	Such period of time as any person other than the relevant Noteholder shall continue to be registered as the legal owner of any securities or other obligations comprising the Asset Amount.

“Issue Price”	The issue price of the Notes as specified in the relevant Final Terms.
“LIBOR”	The London inter-bank offered rate.
“Margin”	The margin applicable to the Notes as specified in the relevant Final Terms.
“Maturity Date”	The date of maturity of the Notes as specified in the relevant Final Terms.
“Maximum Rate of Interest”	The maximum rate of interest as specified in the relevant Final Terms.
“Minimum Rate of Interest”	The minimum rate of interest as specified in the relevant Final Terms.
“Noteholder”	(a) The several persons who are for the time being holders of outstanding Notes being the bearers thereof save that, in respect of the Notes of any Series, for so long as the Notes or any part of them are represented by a Global Note held on behalf of Euroclear and Clearstream, Luxembourg and/or DTC, as applicable, each person (other than Euroclear or Clearstream, Luxembourg and/or DTC, as applicable) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg and/or of DTC, as applicable, as the holder of a particular nominal amount of the Notes of the Series (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or DTC, as applicable as to the nominal amount of the Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of that nominal amount of Notes (and the holder of the relevant Global Note shall be deemed not to be the holder) for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the holder of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of the Notes in accordance with and subject to the terms of the relevant Global Note or (b) the person in whose name a Registered Note is registered, as the case may be.
“Obligatory Redemption”	The obligation of the Issuer to redeem the Notes, in whole but not in part, on the Obligatory Redemption Date by payment of the Obligatory Redemption Amount.
“Obligatory Redemption Amount”	Any amount calculated in accordance with the relevant Final Terms.
“Obligatory Redemption Date”	The date specified in the relevant Final Terms as being the Obligatory Redemption Date.
“Optional Redemption Amount”	Any amount calculated in accordance with the relevant Final Terms.
“Optional Redemption Date(s)”	The date(s) specified in the relevant Final Terms as being the Optional Redemption Date(s).
“PRC”	The People’s Republic of China excluding Taiwan and the Hong Kong and Macau Special Administrative Regions.
“Principal Protection”	An amount equal to 100 per cent. of the Specified Denomination. For the

avoidance of doubt, the Principal Protection does not apply if the Notes are purchased and cancelled or redeemed prior to the Scheduled Maturity Date or sold by a Noteholder prior to the Scheduled Maturity Date.

“Protection Amount”	An amount specified in the relevant Final Terms. In respect of a Series to which a “Protection Amount” is specified as applicable in the relevant Final Terms, means that the Final Redemption Amount will, subject to the relevant Final Terms, in no circumstances be repayable, at the Scheduled Maturity Date, at less than the specified percentage of the nominal amount of such Note. For the avoidance of doubt, the Protection Amount will not apply in the event that Notes are purchased and cancelled or redeemed prior to the Scheduled Maturity Date or upon, among others, the occurrence of a Tax Call, an Index Adjustment Event, a Potential Adjustment Event or an Event of Default or such other events specified in the relevant Final Terms or sold by a Noteholder prior to the Scheduled Maturity Date.
“Record Date”	Has the meaning contained in Condition 12(d)(ii).
“Reference Rate”	The rate specified as such in the relevant Final Terms.
“Relevant Date”	In respect of any Note, Receipt or Coupon, means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Terms and Conditions, such payment will be made, provided that payment is in fact made upon such presentation.
“Renminbi”	The lawful currency of the PRC.
“Screen Page”	Such page, section, caption or column or other part of a particular information service as may be specified in the relevant Final Terms or any successor page, section, caption or column thereto.
“Securities Act”	The U.S. Securities Act of 1933.
“Specified Currency”	The currency of the Notes as specified in the relevant Final Terms.
“Specified Denomination”	The denomination of the Notes as specified in the relevant Final Terms.
“Specified Period”	Such period as may be specified in the relevant Final Terms.
“Sub-unit”	With respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.
“TARGET System”	The Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2).
“Treaty”	The Treaty establishing the European Community, as amended.

1. Form, Denomination and Title

The Notes are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”) in each case in the Specified Denomination(s) as specified in the relevant Final Terms.

Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and vice versa.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Currency Linked Interest Note, a Commodity Linked Interest Note, an Index Linked Interest Note, an Equity Linked Interest Note, a Fund Linked Interest Note, a Credit Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the relevant Final Terms.

This Note may be a Currency Linked Redemption Note, a Commodity Linked Redemption Note, an Index Linked Redemption Note, an Equity Linked Redemption Note, a Fund Linked Redemption Note, a Credit Linked Redemption Note, a Dual Currency Redemption Note, an Instalment Note or a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the relevant Final Terms.

Currency Linked Notes are Currency Linked Interest Notes and Currency Linked Redemption Notes. Commodity Linked Notes are Commodity Linked Interest Notes and Commodity Linked Redemption Notes. Index Linked Notes are Index Linked Interest Notes and Index Linked Redemption Notes. Equity Linked Notes are Equity Linked Interest Notes and Equity Linked Redemption Notes. Fund Linked Notes are Fund Linked Interest Notes and Fund Linked Redemption Notes. Credit Linked Notes are Credit Linked Interest Notes and Credit Linked Redemption Notes. Dual Currency Notes are Dual Currency Interest Notes and Dual Currency Redemption Notes. This Note may be a combination of any of the foregoing, depending upon the Interest Basis and Redemption/Payment Basis set out in the relevant Final Terms.

Bearer Notes are represented either by a note in global form (“**Global Note**”) or by definitive Notes in bearer form (“**Definitive Notes**”).

Bearer Notes are serially numbered and, in the case of Definitive Notes, are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Terms and Conditions are not applicable. Any Note, the principal amount of which is redeemable in instalments, is issued with one or more Receipts attached.

Registered Notes, if specified in the relevant Final Terms, will be issued in the form of one or more Certificates without interest coupons, which may be deposited on the issue date either with (a) a Common Depositary on behalf of Euroclear and Clearstream or (b) a custodian for, and registered in the name of a nominee for, DTC.

Save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder. Notes sold in the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by a Global Certificate in registered form.

Title to the Bearer Notes and the Receipts, Coupons and Talons appertaining thereto shall pass by delivery and title to the Registered Notes shall pass by registration in the register which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement, unless applicable law provides otherwise or provides for additional formalities for transfer of title. In so far as applicable law requires notification to the debtor for a valid transfer of title to the Registered Notes, the registration of the transfer by the Registrar shall constitute evidence of this notification. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined above) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its

absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, each person (other than Euroclear or Clearstream) who is for the time being shown in the records of Euroclear or of Clearstream as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note or the registered holder of the relevant Global Certificate shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note.

For so long as DTC or its nominee is the registered owner or holder of a Global Certificate, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Certificate for all purposes under the Agency Agreement and the Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note or Global Certificate, as the case may be, will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, as the case may be. References to DTC, Euroclear and/or Clearstream shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system ("**Alternative Clearing System**") specified in the relevant Final Terms or as may otherwise be approved by the Issuer and the Fiscal Agent.

2. Transfers of Registered Notes

(a) *Transfer of Registered Notes*

Transfers of beneficial interests in Global Certificates will be effected by DTC, Euroclear or Clearstream, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Global Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Definitive Certificates or for a beneficial interest in another Global Certificate only in the authorised denominations set out in the relevant Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Global Certificate, registered in the name of a nominee for DTC, shall be limited to transfers of such Global Certificate, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or such other form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer and the Fiscal Agent), duly completed and executed, together with any other evidence as the Registrar or Transfer Agent may reasonably require. In so far as applicable law requires notification to the debtor for a valid transfer of title to the Registered Notes, the registration of the transfer by the Registrar shall constitute evidence of this notification. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new

Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

(b) ***Exercise of Options or Partial Redemption in Respect of Registered Notes***

In the case of an exercise of an Issuer's or Noteholder's option, or a partial redemption of, in respect of a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(c) ***Delivery of New Certificates***

Each new Certificate to be issued pursuant to Conditions 2(a) or (b) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice or surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or the Registrar, as the case may be, to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar, as the case may be.

(d) ***Exchange Free of Charge***

Exchange and transfer of Notes and Certificates on registration, transfer, partial redemption or exercise of an Option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(e) ***Closed Periods***

No Noteholder may require the transfer of a Registered Note to be registered (a) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (b) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(c), or (c) after any such Note has been called for redemption.

(f) ***Transfers of Interests in Legended Notes***

Transfers of Legended Notes or beneficial interests therein may be made:

- (a) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

- (b) otherwise pursuant to an exemption from, or transaction not subject to, the registration requirements of the Securities Act, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the legend, the Registrar shall deliver only Legended Notes or refuse to remove the legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

In this Condition, the following expressions shall have the following meanings:

“**Legended Note**” means Registered Notes (whether in definitive form or represented by a Global Certificate) sold in private transactions to QIBs in accordance with the requirements of Rule 144A;

“**QIB**” means a “qualified institutional buyer” within the meaning of Rule 144A;

“**Regulation S**” means Regulation S under the Securities Act;

“**Rule 144A**” means Rule 144A under the Securities Act; and

“**Securities Act**” means the United States Securities Act of 1933.

3. **Status of the Notes**

Unless otherwise agreed between the Issuer and the relevant Dealer(s) in respect of any issue as set forth in the relevant Final Terms, the Notes and the Receipts and Coupons relating to them constitute unsubordinated and unsecured obligations of the Issuer and such Notes (the “**Senior Notes**”) or, as the case may be, Receipts and Coupons shall at all times rank *pari passu* and without any preference among themselves and (subject as aforesaid and to certain statutory exceptions) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

If the Issuer elects and so specifies in the relevant Final Terms, and subject to compliance with all relevant laws, regulations and directives, the Notes and the Receipts and Coupons relating thereto may constitute subordinated and unsecured obligations of the Issuer and such Notes or, as the case may be, Receipts and Coupons of the Issuer shall at all times rank *pari passu* and without any preference among themselves (save for certain provisions of mandatory law).

4. **Interest and Other Calculations**

(a) ***Interest on Fixed Rate Notes***

Except as provided in the relevant Final Terms, each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) equal to the Rate(s) of Interest. Except as provided in the relevant Final Terms, interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) Maturity Date.

Except as provided in the relevant Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period (as defined below) ending on (but excluding) such date will amount to the fixed coupon amount (the “**Fixed Coupon Amount**”). Payments of interest on any Interest Payment Date will, if so specified in the relevant Final Terms, amount to the Broken Amount so specified.

As used in these Terms and Conditions, “**Fixed Interest Period**” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resulting figure to the nearest Sub-Unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product (determined in the manner provided above) of the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

(b) ***Interest on Floating Rate Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Credit Linked Interest Notes and Dual Currency Interest Notes***

(i) Interest Payment Dates

Each Floating Rate Note, Currency Linked Interest Note, Commodity Linked Interest Note, Fund Linked Interest Note, Index Linked Interest Note, Equity Linked Interest Note, Credit Linked Interest Note and Dual Currency Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) (each an “**Interest Payment Date**”) in each year specified in the relevant Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the relevant Final Terms, each date (each an “**Interest Payment Date**”) which falls the number of months or other period specified as the Specified Period in the relevant Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

If a Business Day Convention is specified in the relevant Final Terms and (I) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (II) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the floating rate convention (the “**Floating Rate Convention**”), such Interest Payment Date (1) in the case of (I) above, shall be the last day that is a Business Day in the relevant month and the provisions of (Y) below shall apply *mutatis mutandis* or (2) in the case of (II) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (X) such Interest Payment Date shall be the first preceding day that is a Business Day and (Y) each subsequent Interest Payment Date shall be the last

Business Day in the month which falls the end of the Specified Period after the preceding applicable Interest Payment Date occurred; or

- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be the first preceding day that is a Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be the first preceding day that is a Business Day.

The amount of interest payable per Calculation Amount shall be determined in accordance with Condition 4(b)(iv).

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Credit Linked Interest Notes and Dual Currency Interest Notes for each Interest Period will be determined in the manner specified in the relevant Final Terms and the provisions below relating to ISDA Determination, Screen Rate Determination or any other method of determination that may be specified in the relevant Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Fiscal Agent under an interest rate swap transaction if the Fiscal Agent were acting as Calculation Agent for that swap transaction pursuant to the terms of an agreement incorporating the 2006 ISDA Definitions as amended and updated as at the Issue Date of the first Tranche of the Notes, as published by the International Swaps and Derivatives Association, Inc. (the “**ISDA Definitions**”) and under which:

- I. the Floating Rate Option is as specified in the relevant Final Terms;
- II. the Designated Maturity is a period specified in the relevant Final Terms; and
- III. the relevant Reset Date is either (1) if the applicable Floating Rate Option is based on the London inter-bank offered rate (LIBOR) or on the Euro zone inter-bank offered rate (EURIBOR) for a currency, the first day of that Interest Period or (2) in any other case, as specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- I. the offered quotation; or
- II. the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations (expressed as a percentage rate) for the Reference Rate which appears or appear, as the case may be, on the relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Central European Time, in the case of EURIBOR) on the Determination Date in question plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Fiscal Agent. If five or more of such offered quotations are available on the relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Fiscal Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations,

provided that if any such Rate of Interest is below zero, the Rate of Interest will be deemed to be zero.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the relevant Screen Page is not available or if, in the case of (I) above, no such offered quotation appears or, in the case of (II) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the relevant Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the relevant Final Terms.

(iii) Minimum Rate of Interest and/or Maximum Rate of Interest

If the relevant Final Terms specify a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the relevant Final Terms specify a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) Determination of the Rate of Interest and Calculation of Interest Amounts

The Fiscal Agent, in the case of Floating Rate Notes, or the Calculation Agent, in the case of Currency Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, Index Linked Interest Notes, Credit Linked Interest Notes, Equity Linked Interest Notes and Dual Currency Interest Notes, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant

Interest Period in accordance with Condition 4(b)(ii). In the case of Currency Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Credit Linked Interest Notes and Dual Currency Interest Notes, the Calculation Agent will notify the Fiscal Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Fiscal Agent or, as the case may be, the Calculation Agent, in the case of any Floating Rate Note, Currency Linked Interest Note, Commodity Linked Interest Note, Fund Linked Interest Note, Index Linked Interest Note, Equity Linked Interest Note, Credit Linked Interest Note or Dual Currency Interest Note, will calculate the amount of interest payable per Calculation Amount for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest Sub-Unit of the relevant Specified Currency, half of any such Sub-Unit being rounded upwards or otherwise in accordance with applicable market convention, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Period shall equal the Interest Amount (or be calculated in accordance with such formula).

Where the Specified Denomination of Floating Rate Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Credit Linked Interest Notes and Dual Currency Interest Notes is a multiple of the Calculation Amount, the amount of interest payable in respect of such Floating Rate Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Credit Linked Interest Notes and Dual Currency Interest Notes shall be the product of the Interest Amount (determined in the manner provided above) in respect of the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding. In the case of Currency Linked Interest Notes, Commodity Linked Interest Notes, Fund Linked Interest Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Credit Linked Interest Notes and Dual Currency Interest Notes, the Calculation Agent will notify the Fiscal Agent of the amount of interest payable on the Notes in respect of each Specified Denomination for the relevant Interest Period as soon as practicable after calculating the same.

(v) Notification of Rate of Interest and Interest Amounts

The Fiscal Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Paying Agents and any stock exchange on which the relevant Floating Rate Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Index Linked Interest Notes, Fund Linked Interest Notes, Credit Linked Interest Notes, Equity Linked Interest Notes and Dual Currency Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 20 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes, Currency Linked Interest Notes, Commodity Linked Interest Notes, Index Linked Interest Notes, Equity Linked Interest Notes, Credit Linked Interest Notes and Dual Currency Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 20. For the purposes of this paragraph, the expression “**London Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(vi) **Certificates to be Final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4, whether by the Fiscal Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Fiscal Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) ***Zero Coupon Notes***

When a Zero Coupon Note becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the Amortised Face Amount of such Note as determined in accordance with Condition 5(g)(i). As from the Maturity Date, any overdue principal of such Note shall bear interest at a rate equal to the Accrual Yield set forth in the relevant Final Terms. Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed or on such other calculation basis as may be specified in the relevant Final Terms.

(d) ***Interest on Dual Currency Notes***

In the case of Notes to which Dual Currency has been declared applicable, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.

(e) ***Interest on Partly Paid Notes***

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue on the paid-up nominal amount of such Notes and otherwise as specified in the relevant Final Terms.

(f) ***Accrual of Interest***

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 20,

provided that if Condition 11(b), Condition 11(c) or Condition 11(d) applies in respect of the Notes, subject to Condition 11(j), and:

- (iii) “**Accrual of Interest upon Credit Event**” is specified as Not Applicable in the relevant Final Terms, each Note shall cease to bear interest from the Interest Period End Date immediately preceding the Event Determination Date or, if the Event Determination Date is an Interest

Period End Date, such Interest Period End Date or, if the Event Determination Date falls prior to the first Interest Period End Date, no interest shall accrue on the Notes; or

- (iv) “**Accrual of Interest upon Credit Event**” is specified as being Applicable in the relevant Final Terms, each Note shall cease to bear interest from the Event Determination Date and the final payment of interest shall be payable on the Credit Event Redemption Date, Auction Credit Event Redemption Date, Physical Settlement Date or Partial Cash Settlement Date, as applicable, and no further interest shall be payable in respect of such delay; and

provided further that if:

- (v) the Notes are redeemed pursuant to Condition 11(g), Condition 11(h) or Condition 11(i); or
- (vi) Condition 10(j) applies pursuant to an adjustment to, or reversal of, an Event Determination Date,

then interest will accrue as provided in Condition 11(g), Condition 11(h) or Condition 11(i), as the case may be.

5. Redemption and Purchase

(a) *Redemption on the Maturity Date*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer on the Maturity Date at its Final Redemption Amount specified in, or determined in the manner specified in, the relevant Final Terms in the relevant Specified Currency.

(b) *Redemption for Taxation Reasons (Tax Call)*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on any Interest Payment Date or, if so specified in the relevant Final Terms, at any time, on giving not less than 30 days’ notice (or such other period of notice specified in the relevant Final Terms) to the Noteholders in accordance with Condition 20 (which notice shall be irrevocable) at the Early Redemption Amount (together, if appropriate, with interest accrued to (but excluding) the date fixed for redemption) if:

- (i) on the occasion of the next payment or delivery due pursuant to the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 13 or to account to any taxing authority in the Netherlands for any amount (other than tax withheld or deducted from interest payable on such Notes) in respect of such payment in each case as a result of any change in, or amendment to, the laws or regulations of the Netherlands (or any other relevant business jurisdiction of the Issuer, as referred to in Condition 13) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by an executive director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal or tax advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

(c) ***Redemption at the Option of the Issuer (Issuer Call)***

If Issuer Call is specified as applicable in the relevant Final Terms, the Issuer may, upon giving:

- (i) not less than five nor more than 30 days' notice (or such other notice period specified in the relevant Final Terms), or on such date as is specified in the relevant Final Terms, to the Noteholders in accordance with Condition 20 (the "**Notice Period**"); and
- (ii) not less than seven days prior to the giving of the notice referred to in sub-paragraph (i) above, notice to the Fiscal Agent,

which notices shall be irrevocable, redeem all or, if so provided, some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in the relevant Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s). Any such redemption must, if applicable, be of a nominal amount equal to the Minimum Redemption Amount or a Higher Redemption Amount, each as specified in the relevant Final Terms.

In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot in the case of Redeemed Notes represented by Definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream and/or DTC in the case of Redeemed Notes represented by a Global Note or Global Certificate, as the case may be, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by Definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 20 not less than 15 days prior to the date fixed for redemption.

The aggregate nominal amount of Redeemed Notes represented by Definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of Definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a Global Note or Global Certificate, as the case may be, shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global Note or Global Certificate will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 20 at least five days prior to the Selection Date.

(d) ***Redemption at the Option of Noteholders (Investor Put)***

If Investor Put is specified as applicable in the relevant Final Terms, upon the Noteholder giving to the Issuer in accordance with Condition 20 not less than 15 nor more than 30 days' notice (or such other notice period as may be specified in the relevant Final Terms) in respect of a Note, the Issuer will upon expiry of such notice redeem such Note on any Optional Redemption Date(s) at the Optional Redemption Amount specified in, or determined in the manner specified in the relevant Final Terms, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

To exercise such option or any other Noteholder's option that may be set out in the relevant Final Terms (which must be exercised on an Option Exercise Date), the Noteholder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Issuer,

the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

If this Note is represented by a Global Note, a Global Certificate or is in definitive form and held through Euroclear, Clearstream or DTC, as the case may be, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Fiscal Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream and DTC, as the case may be, (which may include notice being given on his instruction by Euroclear, Clearstream, DTC or any depositary for them to the Fiscal Agent by electronic means) in a form acceptable to Euroclear, Clearstream and DTC, as the case may be, from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Fiscal Agent for notation accordingly.

Any Exercise Notice or other notice given in accordance with the standard procedures of Euroclear, Clearstream and DTC, as the case may be, given by a holder of any Note pursuant to this Condition 5(d) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 5(d) and instead to declare such Note forthwith due and payable pursuant to Condition 15.

(e) ***Redemption for Illegality***

In the event that the Issuer determines in good faith that the performance of the Issuer's obligations under the Notes or that any arrangements made to hedge the Issuer's obligations under the Notes has or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interpretation thereof, the Issuer, having given not less than 10 nor more than 30 days' notice to Noteholders, in accordance with Condition 20 (which notice shall be irrevocable), may, on expiry of such notice redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(f) ***Obligatory Redemption***

If Obligatory Redemption is specified as applicable in the relevant Final Terms, the Issuer has the obligation to redeem all, but not some only, of the Notes, in whole but not in part, on the Obligatory Redemption Date at the Obligatory Redemption Amount specified in, or determined in the manner specified in, the relevant Final Terms together, if appropriate, with interest accrued to (but excluding) the Obligatory Redemption Date.

(g) ***Early Redemption Amounts***

(i) ***Zero Coupon Notes***

- (A) The Early Redemption Amount payable in respect of a Zero Coupon Note shall be an amount (the "**Amortised Face Amount**"), calculated as provided below, of such Note, unless otherwise specified in the relevant Final Terms.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate (expressed as a percentage) equal to the "**Amortisation Yield**" (which, if none is specified in the relevant Final Terms, shall be such rate as would produce the Amortised Face Amount equal to the Issue Price of

the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

- (C) If the Early Redemption Amount in respect of any such Note upon its redemption pursuant to Condition 5(b), Condition 5(e) or upon it becoming due and payable as provided in Condition 15 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note and defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Notes become due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with sub-paragraph (B) shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Notes on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c).

Where such calculation is made for a period less than one year, it shall be made on the basis of the Day Count Fraction specified in the relevant Final Terms.

(ii) *Other Notes*

For the purposes of Condition 5(b), 5(e) and Condition 15, the Notes will be redeemed at the Early Redemption Amount, unless otherwise specified in the relevant Final Terms.

(h) *Instalments*

Instalment Notes will be partially redeemed on each Instalment Date at the related Instalment Amount. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 5(g).

(i) *Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the relevant Final Terms.

(j) *Purchases*

The Issuer and any of its subsidiaries may at any time purchase Notes (provided that, in the case of Definitive Notes, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

(k) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together with, in the case of Definitive Notes, all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and Notes purchased and cancelled pursuant to paragraph (j) above (together with, in the case of Definitive Notes, all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Fiscal Agent and cannot be reissued or resold.

(l) ***Late Payment on Notes on which no Interest is Due***

If the amount payable in respect of a Note on which no interest is due upon redemption of such Note or upon its becoming due and repayable as provided in Condition 12 is improperly withheld or refused, the amount of interest due and payable on such outstanding amount, which has become due and repayable, shall be EONIA (Euro Overnight Index Average), from and including the fifth day after the day on which the amount payable on such Note has become due until but excluding the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) five days after the date on which the full amount of moneys payable in respect of such Notes has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 20.

6. Currency Linked Notes and Dual Currency Notes

Unless previously redeemed or purchased and cancelled, each Currency Linked Notes or Dual Currency Notes will be redeemed by the Issuer on the Maturity Date by payment of the Final Redemption Amount specified in, or determined in the manner specified in the relevant Final Terms.

7. Index Linked Notes

(a) ***Redemption of Index Linked Redemption Notes***

Unless previously redeemed or purchased and cancelled, each Index Linked Redemption Note will be redeemed by the Issuer on the Maturity Date by payment of the Final Redemption Amount specified in, or determined in the manner specified in, the relevant Final Terms.

(b) ***Adjustments to an Index and Additional Disruption Events***

- (i) Successor Index Sponsor Calculates and Reports an Index

If a relevant Index is (A) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (B) 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.

- (ii) Modification and Cessation of Calculation of an Index

If (A) on or prior to the 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 the Index and no Successor Index exists (an “**Index Cancellation**”), or (B) on the Valuation Date, 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 will determine if such Index Adjustment Event has a material effect on the Notes and, if so, to calculate the Reference Value using, in lieu of a published level for that Index, the level for that Index as at the Valuation Time on the

Valuation Date 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; or

- II. by giving notice to the Noteholders in accordance with Condition 20, the Issuer, in its sole and absolute discretion, may redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount.
- (iii) If Additional Disruption Events are specified as applicable in the relevant Final Terms, then, if an Additional Disruption Event occurs:
- I. the Calculation Agent will determine, in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Strike and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the relevant Final Terms, and/or remove and/or substitute the affected Index, to account for the Additional Disruption Event and determine the effective date of that adjustment; or
 - II. by giving notice to the Noteholders in accordance with Condition 20, the Issuer, in its sole and absolute discretion, may redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice, as soon as practicable, to the Noteholders in accordance with Condition 20 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

(iv) Notice

Upon the occurrence of an Index Adjustment Event, the Calculation Agent shall give notice as soon as practicable to Noteholders in accordance with Condition 20 giving details of the action proposed to be taken in relation thereto.

(v) Correction of the Reference Value

In the event that any price or level published by the Index Sponsor which is utilised for any calculation or determination made under the Notes is subsequently corrected, the Calculation Agent will, in its sole and absolute discretion, adjust the terms of the Notes to account for such correction, provided that such correction is published and made available to the public by the Index Sponsor during a period following original publication equal in duration to the period in which a trade in futures or options contracts relating to the Index on the relevant Related Exchange would customarily settle according to the rules of such Related Exchange or, if there are multiple Related Exchanges in respect of the Index, the longest such period, and further provided, that such publication of such correction is made sufficiently (in the sole and absolute discretion of the Calculation Agent) in advance of the Maturity Date or the relevant Specified Interest Payment Date to make such adjustment prior to the Maturity Date or the relevant Specified Interest Payment Date, as the case may be.

(c) ***Definitions applicable to Index Linked Notes***

“Additional Disruption Event”	means Change in Law, Hedging Disruption, Increased Cost of Hedging or any other Additional Disruption Event, in each case if specified as applicable in the relevant Final Terms.
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“Averaging Date”

means, in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, each date specified as an Averaging Date in the relevant Final Terms provided that, if the Calculation Agent determines that any Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, is a Disrupted Day and Disrupted Day is specified as applicable in the relevant Final Terms, and if:

- (i) “Omission” is specified in the relevant Final Terms, then such Averaging Date will be deemed not to be an Averaging Date for purposes of determining the relevant Reference Value. If through the operation of this provision there would not be an Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, then the provisions relating to “Valuation Date” will apply for the purposes of determining the Reference Value for the final Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, as if such final Averaging Date were a Valuation Date that was a Disrupted Day;
- (ii) “Postponement” is specified in the relevant Final Terms, then the provisions relating to “Valuation Date” will apply for the purpose of determining the relevant Reference Value for that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be; or
- (iii) “Modified Postponement” is specified in the relevant Final Terms, then:
 - (A) where the Index Linked Notes are specified in the relevant Final Terms to relate to a single Index, the relevant Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be,

or Disrupted Day, would have been the final Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, then (I) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date), and (II) the Calculation Agent shall, where practicable, determine the Reference Value for that Averaging Date in accordance with the provisions relating to “Valuation Date”; or

- (B) where the Notes are specified in the relevant Final Terms to relate to a Basket of Indices, the Averaging Date for each Index not affected by the occurrence of a Disrupted Day shall be the date specified in the relevant Final Terms as an Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, and the Averaging Date for each Index affected by the occurrence of a Disrupted Day (each an “**Affected Index**”) shall be the first succeeding Valid Date in relation to such Affected Index. If the first succeeding Valid Date in respect of the Affected Index has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, or Disrupted Day, would have been the final Averaging Date, then (I) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of the Affected Index, and (II) the Calculation Agent shall determine the Reference Value for that Averaging Date in accordance with the provisions relating to “Valuation Date”; and
- (C) “**Valid Date**” shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, does not or is not deemed to occur.

“Basket of Indices”

means, subject to adjustment in accordance with Condition 7(b), a basket composed of the Indices specified in the relevant Final Terms in the relative proportions or numbers of Indices specified in the relevant Final Terms.

“Change in Law”

means that, on or after the Trade Date of any Notes (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (ii) 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 and/or any of its Affiliates determines in good faith that (A) it has become illegal to hold, acquire or dispose of shares that comprise the Index relating to its hedge position in respect of such Notes or (B) it will incur a materially increased cost in performing its obligations under such Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefits or other adverse effect on its tax position).

“Coupon Observation Date_(i)”, “Obligatory Redemption Observation Date_(i)”, “Final Redemption Barrier Observation Date_(i)” and “Final Redemption Observation Date_(i)”

means, in respect of a Coupon Observation Date, Obligatory Redemption Observation Date, Final Redemption Barrier Observation Date or Final Redemption Observation Date, as the case may be, each date specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless Disrupted Day is specified as applicable in the relevant Final Terms and, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day:

- (i) where the Notes are specified in the relevant Final Terms to relate to a single Index, the Observation 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 Observation Date is a Disrupted Day. In that case the eighth Scheduled Trading Day shall be deemed to be the Observation Date, notwithstanding the fact that such day is a Disrupted Day; or
- (ii) where the Notes are specified in the relevant Final Terms to relate to a Basket of Indices, the Observation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date, and the Observation Date for each Index affected by the occurrence of a Disrupted Day (each an “**Affected Index**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to the Affected Index. In that case the eighth Scheduled Trading Day shall be deemed to be the Observation Date for the Affected Index, notwithstanding the fact that such day is a Disrupted Day.

“Coupon Observation Period_(i)”, “Obligatory Redemption Observation Period_(i)”, “Final Redemption Barrier Observation Period_(i)” and “Final Redemption Observation Period_(i)”

means, in respect of a Coupon Observation Period, Obligatory Redemption Observation Period, Final Redemption Barrier Observation Period and Final Redemption Observation Period, as the case may be, each period specified as such in the relevant Final Terms

For the avoidance of doubt, any such period may comprise a single Scheduled Trading Day or Exchange Business Day, as the case maybe.

“Disrupted Day”

means:

- (i) where the relevant Index is **not** specified in the relevant Final Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred; or
- (ii) where the relevant Index is specified in the relevant Final Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which (A) the Index Sponsor fails to publish the level of the Index (provided that such failure may instead constitute an Index Adjustment Event for the Index, if so determined by the Calculation Agent in its sole and absolute discretion), (B) a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or (C) a Market Disruption Event has occurred.

“Early Closure”

means the closure on any Exchange Business Day of the relevant Exchange in respect of a Component Security or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange(s), 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(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

“Exchange”

- (i) means, where the relevant Index is **not** specified in the relevant Final Terms as being a Multi-Exchange Index, each exchange or quotation system specified as such for such Index in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities/commodities comprising such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities/commodities comprising such Index on such temporary substitute exchange or quotation system as on the original Exchange).
- (ii) means, where the relevant Index is specified in the relevant Final Terms as being a Multi-Exchange Index, in relation to each component security of that Index (each, a **“Component Security”**), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.

“Exchange Business Day”

- (i) means, where the relevant Index is **not** specified in the relevant Final Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.
- (ii) means, where the relevant Index is specified in the relevant Final Terms as being a Multi-Exchange Index, any Scheduled Trading Day

on which (A) the Index Sponsor publishes the level of the Index and (B) each Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to the 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 option contracts relating to the Index on any Related Exchange.
“Hedging Disruption”	means that the Issuer and/or any of its 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 index or other price risk of the Issuer issuing and performing its obligations with respect to the Notes or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).
“Increased Cost of Hedging”	means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the index or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.
“Index” or “Indices”	means, subject to adjustment in accordance with Condition 7(b), the index or indices specified in the relevant Final Terms and related expressions shall be construed accordingly.
“Index Sponsor”	means, in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the relevant Final Terms.
“Initial Fixing Date”	means the Initial Fixing Date specified in the relevant Final Terms or if such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day.
“Market Disruption Event”	means, in respect of an Index: <ul style="list-style-type: none"> (i) where the relevant Index is not specified in the relevant Final Terms as being a Multi-Exchange Index: (A) the occurrence or existence at any time during the one-hour period that ends at the relevant Valuation Time of: <ul style="list-style-type: none"> I. 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:

- (1) on any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index; or
- (2) in futures or options contracts relating to the relevant Index on any relevant Related Exchange; or

II. any event (other than an event described in (B) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (1) to effect transactions in, or obtain market values for, on any relevant Exchange(s) securities/commodities that comprise 20 per cent. or more of the level of the relevant Index, or (2) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Index on any relevant Related Exchange,

which in either case the Calculation Agent determines is material; or

(B) the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities/commodities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to the earlier of (1) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or, if earlier, (2) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

For the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a security/commodity included in the Index at any time, then the relevant percentage contribution of that security/commodity to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that security/commodity and (ii) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

(ii) where the relevant Index is specified in the relevant Final Terms as being a Multi-Exchange Index:

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

I. 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; or

- II. an Exchange 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; or
- III. an Early Closure in respect of such Component Security; and

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

- (B) the occurrence or existence, in each case in respect of futures or option contracts relating to the Index, of (I) a Trading Disruption, or (II) 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 (III) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists in respect of a Multi-Exchange Index exists at any time, if an Early Closure, an Exchange Disruption or a Trading Disruption occurs in respect of a Component Security or a Market Disruption Event occurs in respect of such Component Security included in the Index at any time, then the relevant percentage contribution of that Component Security/commodity to the level of the Index shall be based on a comparison of (i) the portion of the level of the Index attributable to that Component Security/commodity and (ii) the overall level of the Index, in each case using the official opening weightings as published by the relevant Index Sponsor as part of the market “opening data” immediately before the occurrence of such Market Disruption Event, Early Closure, Exchange Disruption or Trading Disruption, as the case may be, in respect of such Component Security.

“Multi-Exchange Index”	means an Index identified or specified as such in the relevant Final Terms.
“Multiplier”	means the weight of each of the Indices comprising the Basket of Indices, as specified in the relevant Final Terms.
“Observation Date(s)”	means each of Coupon Observation Date _(i) , Obligatory Redemption Observation Date _(i) , Final Redemption Barrier Observation Date _(i) and Final Redemption Observation Date _(i) .
“Observation Period(s)”	means each of a Coupon Observation Period _(i) , Obligatory Redemption Observation Period _(i) , Final Redemption Barrier Observation Period _(i) and Final Redemption Observation Period _(i) .
“Reference Value”	means: <ul style="list-style-type: none">(i) where the Notes are specified in the relevant Final Terms to relate to a single Index, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the official closing level of the

Index published by the Index Sponsor on the relevant date (or the level at the Valuation Time on the relevant date if a Valuation Time is specified in the relevant Final Terms) of the Index determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such official closing level (or, as the case may be, level at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) can be determined at such time, the Calculation Agent's good faith estimate of the value of the Index as of the actual closing time of the Exchange on the relevant date (or the value of the Index at the Valuation Time on the relevant date, if Valuation Time is specified in the relevant Final Terms); and

- (ii) where the Notes are specified in the relevant Final Terms to relate to a Basket of Indices, an amount (which shall be deemed to be an amount of the Specified Currency) equal to the sum of the values calculated for each Index as the official closing level of each Index as published by the Index Sponsor on the relevant date (or the level at the Valuation Time on the relevant date if a Valuation Time is specified in the relevant Final Terms) of each Index determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such official closing level (or level at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) can be determined at such time, the Calculation Agent's good faith estimate of the value of the Index as of the actual closing time of the Exchange on the relevant date (or the value of the Index at the Valuation Time on the relevant date, if Valuation Time is specified in the relevant Final Terms), multiplied by the relevant Multiplier specified in the relevant Final Terms.

“Related Exchange”

means, in relation to an Index, each exchange or quotation system specified as such in relation to such Index in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where “All Exchanges” is specified as the Related Exchange in the relevant Final Terms, “Related Exchange” shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index.

“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, without regard to after hours or any other trading outside of the regular trading session hours.

“Scheduled Observation Date”

means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.

“Scheduled Trading Day”	<p>means:</p> <ul style="list-style-type: none"> (i) where the relevant Index is specified in the relevant Final Terms as not being a Multi-Exchange Index, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions; or (ii) where the relevant Index is specified in the relevant Final Terms as being a Multi-Exchange Index (A) any day on which the Index Sponsor is scheduled to publish the level of that Index and (B) each Related Exchange is scheduled to be open for trading for its regular trading session.
“Scheduled Valuation Date”	means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.
“Strike”	means the level (if any) specified as such in the relevant Final Terms, and if applicable any of FR_Strike_1, FR_Strike_2, FR_Strike_3, FR_Strike_4 and Obligatory Redemption Strike(i).
“Trade Date”	means the date specified as such in the relevant Final Terms.
“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; or (ii) in futures or options contracts relating to the Index on any Related Exchange.
“Valuation Date”	<p>means each date specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless Disrupted Day is specified as applicable in the relevant Final Terms and, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day:</p> <ul style="list-style-type: none"> (i) where the Notes are specified in the relevant Final Terms to relate to a single Index, 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 the eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day; or (ii) where the Notes are specified in the relevant Final Terms to relate to a Basket of Indices, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an “Affected Index”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Index unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Index. In that case the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Index,

notwithstanding the fact that such day is a Disrupted Day.

“Valuation Time”

means:

- (i) where the relevant Index is specified in the relevant Final Terms as **not** being a Multi-Exchange Index, the Valuation Time specified in the relevant Final Terms or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant date in relation to each Index to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or
- (ii) where the relevant Index is specified in the relevant Final Terms as being a Multi-Exchange Index, (A) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of a Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security and (y) in respect of any options contracts or futures contracts on the relevant Index, the close of trading on the Related Exchange, and (B) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor. If, for the purposes of (A) above, the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

8. Equity Linked Notes

(a) *Redemption of Equity Linked Redemption Notes*

Unless previously redeemed or purchased and cancelled, each Equity Linked Redemption Note will be redeemed by the Issuer on the Maturity Date (A) if Cash Settlement is specified in the relevant Final Terms, by payment of the Final Redemption Amount specified in, or determined in the manner specified in, the relevant Final Terms on the Maturity Date or (B) if Physical Delivery is specified in the relevant Final Terms, by delivery of the Asset Amount specified in, or determined in the manner specified in, the relevant Final Terms (subject as provided below) or (C) if Cash Settlement and/or Physical Delivery is specified in the relevant Final Terms, by payment of the Final Redemption Amount and/or by delivery of the Asset Amount on the terms set out in the relevant Final Terms, in each case on the Maturity Date (subject as provided below).

(b) *Potential Adjustment Events, Delisting, Merger Event, Tender Offer, Nationalisation and Insolvency, Additional Disruption Events and Adjustments for Equity Linked Notes in respect of Equities quoted in European Currencies*

- (i) Following the declaration by an Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of the Equities and, if so:
 - (A) the Calculation Agent will determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Asset Amount and/or the Strike and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the relevant Final

Terms, and/or remove and/or substitute the affected Equity, to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Equity), and determine the effective date of that adjustment; or

- (B) by giving notice to the Noteholders in accordance with Condition 20, the Issuer in its sole and absolute discretion may redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount.

If the provisions of Condition 8(b)(i)(A) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Equities traded on that options exchange.

Upon the making of an adjustment pursuant to Condition 8(b)(i)(A) by the Calculation Agent, the Issuer shall, as soon as practicable thereafter, give notice to the Noteholders in accordance with Condition 20 stating any adjustments made, together with brief details of the Potential Adjustment Event, provided that any failure to give such notice will not affect the validity of such adjustment.

- (ii) Following the occurrence of a Delisting, Merger Event, Nationalisation, Insolvency or a Tender Offer, in each case, in relation to an Equity:

- (A) the Calculation Agent will determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Asset Amount and/or the Strike and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the relevant Final Terms, and/or remove and/or substitute the affected Equity, to account for the Delisting, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment; or

- (B) by giving notice to the Noteholders in accordance with Condition 20, the Issuer in its sole and absolute discretion may redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount.

If the provisions of Condition 8(b)(ii)(A) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Delisting, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, made by an options exchange to options on the Equities traded on that options exchange.

Upon the occurrence (if applicable) of a Delisting, Merger Event, Tender Offer, Nationalisation or Insolvency, the Issuer shall, as soon as practicable thereafter, give notice to the Noteholders in accordance with Condition 20 stating the occurrence of the Delisting, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto, provided that any failure to give such notice will not affect the validity of any such action to be taken.

- (iii) If Additional Disruption Events are specified as applicable in the relevant Final Terms, then, if an Additional Disruption Event occurs:

- (A) the Calculation Agent will determine, in its sole and absolute discretion, the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Asset Amount and/or the Strike and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the relevant Final

Terms, and/or remove and/or substitute the affected Equity, to account for the Additional Disruption Event and determine the effective date of that adjustment; or

- (B) by giving notice to the Noteholders in accordance with Condition 20, the Issuer, in its sole and absolute discretion, may redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice, as soon as practicable, to the Noteholders in accordance with Condition 20 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

- (iv) Adjustments for Equity Linked Notes in respect of Equities quoted in European Currencies

In respect of Equity Linked Notes relating to Equities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty, if such Equities are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange or, where no Exchange is specified in the relevant Final Terms, the principal market on which those Equities are traded, then the Calculation Agent will adjust any one or more of the Final Redemption Amount and/or the Asset Amount and/or the Strike and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the relevant Final Terms as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this Condition 8(b)(iv) will affect the currency denomination of any payment obligation arising out of the Notes.

- (v) If ETN Event of Default or ETN Early Redemption Event is specified as applicable in the relevant Final Terms, then, following the occurrence of an ETN Event of Default or ETN Early Redemption, as applicable, in each case, in relation to the Equity:

- (A) the Calculation Agent will determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Asset Amount and/or the Strike and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the relevant Final Terms, and/or remove and/or substitute the affected Equity, to account for the ETN Event of Default or ETN Early Redemption, as applicable, as the case may be, and determine the effective date of that adjustment; or
- (B) by giving notice to the Noteholders in accordance with Condition 20, the Issuer in its sole and absolute discretion may redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount.

If the provisions of Condition 8(b)(vi)(A) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the ETN Event of Default or ETN Early Redemption, as applicable, as the case may be, made by an options exchange to options on the Equities traded on that options exchange.

Upon the making of an adjustment pursuant to Condition 8(b)(vi)(A) by the Calculation Agent, the Issuer shall, as soon as practicable thereafter, give notice to the Noteholders in accordance with Condition 20 stating any adjustments made, together with brief details of the ETN Event of Default or ETN Early Redemption, as applicable, provided that any failure to give such notice will not affect the validity of such adjustment.

(vi) **Correction of the Reference Value**

In the event that any price or level published by an Exchange which is utilised for any calculation or determination made under the Notes is subsequently corrected, the Calculation Agent will in its sole and absolute discretion, adjust the terms of the Notes to account for such correction, provided that such correction is published and made available to the public by the relevant Exchange during a period following original publication equal in duration to the period in which a trade in the Equity would customarily settle according to the rules of such Exchange, and further provided, that such publication of such correction is made sufficiently (in the sole and absolute discretion of the Calculation Agent) in advance of the Maturity Date or the Specified Interest Payment Date to make such adjustment prior to the Maturity Date or the relevant Specified Interest Payment Date, as the case may be.

(c) ***Physical Delivery***

- (i) If Physical Delivery is specified as applicable in the relevant Final Terms in respect of any Equity Linked Redemption Note, the Asset Amount comprising the Relevant Assets will be delivered at the risk of the Noteholder on the Delivery Date, provided that the Asset Transfer Notice (defined below) is only delivered in respect of such Note:
- (A) if such Note is represented by a Global Note, the relevant Noteholder must deliver or have delivered to Euroclear or Clearstream (as applicable), with a copy to the Issuer, not later than the close of business in each place of receipt on the Cut-off Date, a duly completed Asset Transfer Notice; and
 - (B) if such Note is a Definitive Note, the relevant Noteholder must deliver such note to any Paying Agent, with a copy to the Issuer, not later than the close of business in each place of receipt on the Cut-off Date, a duly completed Asset Transfer Notice (as defined below).

Forms of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Paying Agent.

An Asset Transfer Notice may only be delivered (i) if such Note is represented by a Global Note, in such manner as is acceptable to Euroclear or Clearstream, as the case may be, or (ii) if such Note is a Definitive Note, in writing or by tested telex.

If this Note is a Definitive Note, it must be delivered together with the duly completed Asset Transfer Notice.

An Asset Transfer Notice must:

- I. specify the name and address of the relevant Noteholder, the person from whom the Issuer may obtain details for the delivery of the Asset Amount and any details required for delivery of the Asset Amount set out in the relevant Final Terms;
- II. in the case of Notes represented by a Global Note, specify the nominal amount of Notes which are the subject of such notice and the number of the Noteholder's account at Euroclear or Clearstream, as the case may be, to be debited with such Notes and irrevocably instruct and authorise Euroclear or Clearstream, as the case may be, to debit the relevant Noteholder's account with such Notes on or before the Delivery Date (as defined below);
- III. include an undertaking to pay all Delivery Expenses (as defined below) and, in the case of Notes represented by a Global Note, an authority to debit a specified account

of the Noteholder at Euroclear or Clearstream, as the case may be, in respect thereof and to pay such Delivery Expenses;

- IV. specify an account to which dividends (if any) payable pursuant to this Condition 8(c) or any other cash amounts specified in the relevant Final Terms as being payable are to be paid; and
- V. authorise the production of such notice in any applicable administrative or legal proceedings.

No Asset Transfer Notice may be withdrawn after receipt thereof by Euroclear or Clearstream or a Paying Agent, as the case may be, as provided above. After delivery of Asset Transfer Notice, the relevant Noteholder may not transfer the Notes which are the subject of such notice.

In the case of Notes represented by a Global Note, upon receipt of such notice, Euroclear or Clearstream, as the case may be, shall verify that the person specified therein as the Noteholder is the holder of the specified nominal amount of Notes according to its books.

Failure properly to complete and deliver an Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such Asset Transfer Notice has been properly completed and delivered as provided in these Terms and Conditions shall be made, in the case of Notes represented by a Global Note, by Euroclear or Clearstream, as the case may be, after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant Noteholder and, in the case of Definitive Notes, by the relevant Paying Agent, after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Noteholder.

Delivery of the Asset Amount in respect of each Note shall be made at the risk of the relevant Noteholder in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice or in such manner as is specified in the relevant Final Terms.

In relation to each Note which is to be redeemed by delivery of the Asset Amount, the Asset Amount will be delivered at the risk of the relevant Noteholder, in the manner provided above on the Maturity Date (such date, subject to adjustment in accordance with this Condition, the “**Delivery Date**”), provided that the Asset Transfer Notice is duly delivered to Euroclear, Clearstream or a Paying Agent, as the case may be, with a copy to the Issuer, as provided above, not later than the close of business in each place of receipt on the Cut-off Date specified in the relevant Final Terms.

If a Noteholder fails to give an Asset Transfer Notice as provided herein with a copy to the Issuer, not later than the close of business in each place of receipt on the Cut-off Date, then the Asset Amount will be delivered as soon as practicable after the Maturity Date (in which case, such date of delivery shall be the Delivery Date) at the risk of such Noteholder in the manner provided above. For the avoidance of doubt, in such circumstances such Noteholder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the originally designated Delivery Date and no liability in respect thereof shall attach to the Issuer.

- (ii) All Delivery Expenses arising from the delivery of the Asset Amount in respect of such Notes shall be for the account of the relevant Noteholder and no delivery of the Asset Amount shall be made until all Delivery Expenses have been paid to the satisfaction of the Issuer by the relevant Noteholder.

After delivery of the Asset Amount and for the Intervening Period, none of the Issuer, the Calculation Agent nor any other person shall at any time (A) be under any obligation to deliver or procure delivery to any Noteholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of such securities or obligations, (B) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations or (C) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations.

If, prior to the delivery of the Asset Amount in accordance with this Condition, a Settlement Disruption Event is subsisting, then the Delivery Date in respect of such Note shall be postponed until the date on which no Settlement Disruption Event is subsisting and notice thereof shall be given to the relevant Noteholder, in accordance with Condition 20. Such Noteholder shall not be entitled to any payment, whether of interest or otherwise, on such Note as a result of any delay in the delivery of the Asset Amount pursuant to this paragraph. Where delivery of the Asset Amount has been postponed as provided in this paragraph, the Issuer shall not be in breach of these Terms and Conditions and no liability in respect thereof shall attach to the Issuer.

For so long as delivery of the Asset Amount in respect of any Note is not practicable by reason of a Settlement Disruption Event, then, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price not later than on the third Business Day following the date that the notice of such election (the “**Election Notice**”) is given to the Noteholders in accordance with Condition 20. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 20.

Where the Asset Amount is, in the determination of the Issuer, an amount other than an amount of Relevant Assets capable of being delivered, the Noteholders will receive an Asset Amount comprising of the nearest number (rounded down) of Relevant Assets capable of being delivered by the Issuer (taking into account that a Noteholder’s entire holding may be aggregated at the Issuer’s discretion for the purpose of delivering the Asset Amounts), and an amount in the Specified Currency which shall be the value of the amount of the Relevant Assets so rounded down, as calculated by the Calculation Agent in its sole discretion from such source(s) as it may select (converted if necessary into the Specified Currency by reference to such exchange rate as the Calculation Agent deems appropriate). Payment will be made in such manner as shall be notified to the Noteholders in accordance with Condition 20.

For the purposes of the Notes (A) the Issuer shall be under no obligation to register or procure the registration of any Noteholder or any other person as the registered shareholder or registered holder, as the case may be, in the register of members or holders of any Equity Issuer and (B) any interest, dividend or other distribution in respect of any Asset Amount will be payable to the party that would receive such interest, dividend or other distribution according to market practice for a sale of the relevant Equity executed on the Delivery Date and to be delivered in the same manner as the Asset Amount. Any such interest, dividend or other distribution to be paid to a Noteholder shall be paid to the account specified in the relevant Asset Transfer Notice.

- (iii) If, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets comprising the Asset Amount (the “**Affected Relevant Assets**”) due to illiquidity in the market for the Relevant Assets (a “**Failure to Deliver**”), then:

- (A) subject as provided elsewhere in these Terms and Conditions and/or the relevant Final Terms, any Relevant Assets which are not Affected Relevant Assets will be delivered pro rata on the originally designated Delivery Date in accordance with this Condition 8(c); and
- (B) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion, in lieu of delivery of the Affected Relevant Assets, to pay to the Noteholder the Failure to Deliver Settlement Price (as defined below) on the fifth Business Day following the date on which the Failure to Deliver Notice (as defined below) is given to the Noteholders in accordance with Condition 20. Payment of the Failure to Deliver Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Condition 20. The Issuer shall give notice (such notice a “**Failure to Deliver Notice**”) as soon as reasonably practicable to the Noteholders in accordance with Condition 20 that the provisions of this Condition 8(c)(iii) apply.

(d) ***Partial Lookthrough Depositary Receipt Provisions***

- (i) Where the relevant Final Terms specify that the “Partial Lookthrough Depositary Receipt Provisions” shall apply to an Equity, then the provisions set out in this Condition 8(d) shall apply, and, in relation to such Equity, the other provisions of this Condition 8 shall be deemed to be amended and modified as set out in this Condition 8(d).
- (ii) The definition of “Potential Adjustment Event” shall be amended so that it reads as follows:

““**Potential Adjustment Event**” means any of the following:

- (A) a subdivision, consolidation or reclassification of relevant Equities and/or Underlying Equities (unless resulting in a Merger Event), or a free distribution or dividend of any such Equities and/or Underlying Equities to existing holders by way of bonus, capitalisation or similar issue;
- (B) a distribution, issue or dividend to existing holders of the relevant Equities and/or Underlying Equities specified in the relevant Final Terms of (I) such Equities and/or Underlying Equities, (II) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer or Underlying Equity Issuer, as appropriate, equally or proportionately with such payments to holders of such Equities and/or Underlying Equities, (III) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer or Underlying Equity Issuer, as appropriate, as a result of a spin-off or other similar transaction or (IV) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (C) an extraordinary dividend (determined by the Calculation Agent, in its sole and absolute discretion, whether such dividend is extraordinary);
- (D) a call by an Equity Issuer or Underlying Equity Issuer, as appropriate, in respect of relevant Equities and/or Underlying Equities that are not fully paid;
- (E) a repurchase by an Equity Issuer or Underlying Equity Issuer, as appropriate, or any of its subsidiaries of relevant Equities and/or Underlying Equities whether out of

profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;

- (F) in respect of an Equity Issuer or Underlying Equity Issuer, as appropriate, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Equity Issuer or Underlying Equity Issuer, as appropriate, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights;
- (G) any other event having, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Equities and/or Underlying Equities; and
- (H) the making of any amendment or supplement to the terms of the Deposit Agreement,

provided that an event under (A) to (G) (inclusive) above in respect of Underlying Equities shall not constitute a Potential Adjustment Event unless, in the opinion of the Calculation Agent, such event has a diluting or concentrative effect on the theoretical value of the Equities.”

(iii) If the Calculation Agent determines that:

- (A) an event under (A) to (G) (inclusive) of the definition of “Potential Adjustment Event” has occurred in respect of any Underlying Equities; or
- (B) an event under (H) of the definition of “Potential Adjustment Event” has occurred, the Calculation Agent will determine whether such Potential Adjustment Event has an economic effect on the Notes,

and, in each case, the Calculation Agent will make the corresponding adjustment(s), if any, to one or more of any variable relevant to the exercise, settlement, payment or other terms of these Terms and Conditions and/or the relevant Final Terms as the Calculation Agent determines appropriate to account for (I) in respect of an event under (A) to (G) (inclusive) of the definition of “Potential Adjustment Event”, the diluting or concentrative effect on the theoretical value of the Equities, and (II) in respect of an event under (H) of the definition of “Potential Adjustment Event”, such economic effect on the Notes, as the case may be (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Equity), following the Potential Adjustment Event. The Calculation Agent may (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement.

If the Calculation Agent determines that no adjustment that it could make will produce a commercially reasonable result, it shall notify the Issuer and the Noteholders that the relevant consequence shall be the early redemption of the Notes, in which case, on such date as selected by the Calculation Agent in its sole and absolute discretion, the Issuer shall redeem the Notes upon prior notice made to the Noteholders, and the Issuer will cause to be paid to each Noteholder in respect of each Note held by it an amount equal to the Early Redemption Amount of such Notes.

(iv) The definitions of “Merger Event” and “Tender Offer” shall be amended in accordance with the DR Amendment.

- (v) If the Calculation Agent determines that a Merger Event or Tender Offer has occurred in respect of any Underlying Equity, then, where the Calculation Agent makes an adjustment to these Terms and Conditions and/or the relevant Final Terms in connection with a Merger Event or Tender Offer, the Calculation Agent may (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement.
- (vi) The definitions of “Nationalisation”, “Insolvency” and “Delisting” shall be amended in accordance with the DR Amendment.
- (vii) Notwithstanding anything to the contrary in the definition of “Delisting”, a Delisting shall not occur in respect of any Underlying Equity if such Underlying Equities are immediately re-listed, re-traded or re-quoted on an exchange or quotation system regardless of the location of such exchange or quotation system.
- (viii) If the Calculation Agent determines that a Nationalisation or Insolvency has occurred in respect of an Equity or the Depositary, then, notwithstanding anything to the contrary herein, the Calculation Agent may determine that the affected Equity be substituted with Replacement DRs and may make any appropriate adjustments to the terms of these Terms and Conditions and/or the relevant Final Terms. In such case, the Issuer shall not redeem the Notes early and, following such replacement, references to Equities herein shall be replaced by references to such Replacement DRs, and the Calculation Agent will determine the effective date of any adjustments.
- (ix) If the Calculation Agent determines that a Delisting of Equities has occurred or if the Depositary announces that the Deposit Agreement is (or will be) terminated, then, notwithstanding anything to the contrary herein, the Calculation Agent may determine that the affected Equity be substituted with Replacement DRs or the Underlying Equities and may make any appropriate adjustments to the terms of these Terms and Conditions and/or the relevant Final Terms. In such case, the Issuer shall not redeem the Notes early and, following such replacement, references to Equities herein shall be replaced by references to such Replacement DRs or the Underlying Equities, as applicable, and the Calculation Agent will determine the effective date of any adjustments.
- (x) The definition of “Insolvency Filing” shall be amended in accordance with the DR Amendment.
- (xi) The definition of “Change in Law” shall be amended in accordance with the DR Amendment.

For the avoidance of doubt, where a provision is amended pursuant to this Condition 8(d) in accordance with the DR Amendment, if the event described in such provision occurs in respect of the Underlying Equities or the Underlying Equity Issuer, then the consequence of such event shall be interpreted consistently with the DR Amendment and such event.

(e) ***Full Lookthrough Depositary Receipt Provisions***

- (i) Where the relevant Final Terms specify that the “Full Lookthrough Depositary Receipt Provisions” shall apply to an Equity, then the provisions set out in this Condition 8(e) shall apply, and, in relation to such Equity, the other provisions of this Condition 8 shall be deemed to be amended and modified as set out in this Condition 8(e).
- (ii) The definition of “Potential Adjustment Event” shall be amended so that it reads as follows:

“**Potential Adjustment Event**” means any of the following:

- (A) a subdivision, consolidation or reclassification of relevant Equities and/or Underlying Equities (unless resulting in a Merger Event), or a free distribution or dividend of any such Equities and/or Underlying Equities to existing holders by way of bonus, capitalisation or similar issue;
- (B) a distribution, issue or dividend to existing holders of the relevant Equities and/or Underlying Equities specified in the relevant Final Terms of (I) such Equities and/or Underlying Equities, (II) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer or Underlying Equity Issuer, as appropriate, equally or proportionately with such payments to holders of such Equities and/or Underlying Equities, (III) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer or Underlying Equity Issuer, as appropriate, as a result of a spin-off or other similar transaction or (IV) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (C) an extraordinary dividend (determined by the Calculation Agent, in its sole and absolute discretion, whether such dividend is extraordinary);
- (D) a call by an Equity Issuer or Underlying Equity Issuer, as appropriate, in respect of relevant Equities and/or Underlying Equities that are not fully paid;
- (E) a repurchase by an Equity Issuer or Underlying Equity Issuer, as appropriate, or any of its subsidiaries of relevant Equities and/or Underlying Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (F) in respect of an Equity Issuer or Underlying Equity Issuer, as appropriate, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Equity Issuer or Underlying Equity Issuer, as appropriate, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights;
- (G) any other event having, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Equities and/or Underlying Equities; and
- (H) the making of any amendment or supplement to the terms of the Deposit Agreement,

provided that an event under (A) to (G) (inclusive) above in respect of Underlying Equities shall not constitute a Potential Adjustment Event unless, in the opinion of the Calculation Agent, such event has a diluting or concentrative effect on the theoretical value of the Equities.”

(iii) If the Calculation Agent determines that:

- (A) an event under (A) to (G) (inclusive) of the definition of “Potential Adjustment Event” has occurred in respect of any Underlying Equities; or

- (B) an event under (H) of the definition of “Potential Adjustment Event” has occurred, the Calculation Agent will determine whether such Potential Adjustment Event has an economic effect on the Notes;

and, in each case, the Calculation Agent will make the corresponding adjustment(s), if any, to one or more of any variable relevant to the exercise, settlement, payment or other terms of these Terms and Conditions and/or the relevant Final Terms as the Calculation Agent determines appropriate to account for (I) in respect of an event under (A) to (G) (inclusive) of the definition of “Potential Adjustment Event”, the diluting or concentrative effect on the theoretical value of the Equities, and (II) in respect of an event under (H) of the definition of “Potential Adjustment Event”, such economic effect on the Notes, as the case may be (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Equity) following the Potential Adjustment Event. The Calculation Agent shall (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement.

If the Calculation Agent determines that no adjustment that it could make will produce a commercially reasonable result, it shall notify the Issuer and the Noteholders that the relevant consequence shall be the early redemption of the Notes, in which case, on such date as selected by the Calculation Agent in its sole and absolute discretion, the Issuer shall redeem the Notes upon prior notice made to the Noteholders, and the Issuer will cause to be paid to each Noteholder in respect of each Note held by it an amount equal to the Early Redemption Amount of such Notes.

- (iv) The definitions of “Merger Event” and “Tender Offer” shall be amended in accordance with the DR Amendment.
- (v) If the Calculation Agent determines that a Merger Event or Tender Offer has occurred in respect of an Underlying Equities, then, where the Calculation Agent makes an adjustment to these Terms and Conditions and/or the relevant Final Terms in connection with a Merger Event or Tender Offer, the Calculation Agent may (among other factors) have reference to any adjustment made by the Depositary under the Deposit Agreement.
- (vi) The definitions of “Nationalisation”, “Insolvency” and “Delisting” shall be amended in accordance with the DR Amendment.
- (vii) If the Calculation Agent determines that a Nationalisation or Insolvency has occurred in respect of an Equity or the Depositary, then, notwithstanding anything to the contrary herein, the Calculation Agent may determine that the affected Equity be substituted with Replacement DRs and may make any appropriate adjustments to the terms of these Terms and Conditions and/or the relevant Final Terms. In such case, the Issuer shall not redeem the Notes early and, following such replacement, references to Equities herein shall be replaced by references to such Replacement DRs, and the Calculation Agent will determine the effective date of any adjustments.
- (viii) If the Calculation Agent determines that a Delisting of Equities has occurred or if the Depositary announces that the Deposit Agreement is (or will be) terminated, then notwithstanding anything to the contrary herein, the Calculation Agent may determine that the affected Equity be substituted with Replacement DRs or the Underlying Equities and may make any appropriate adjustments to the terms of these Terms and Conditions and/or the relevant Final Terms. In such case, the Issuer shall not redeem the Notes early, and following such replacement, references to Equities herein shall be replaced by references to such Replacement DRs or the Underlying Equities, as applicable, and the Calculation Agent will determine the effective date of any adjustments.

- (ix) The definition of any Additional Disruption Event specified as applicable in the relevant Final Terms shall be amended in accordance with the DR Amendment.
- (x) The definitions of “Exchange Business Day”, “Scheduled Closing Time”, “Scheduled Trading Day”, “Trading Disruption”, “Exchange Disruption”, “Early Closure” and “Disrupted Day” which relate to the Exchange shall be deemed to include a reference to the primary exchange on which the Underlying Equities are traded, as determined by the Calculation Agent.
- (xi) The definitions of “Exchange Disruption”, “Market Disruption Event” and “Trading Disruption” shall be amended in accordance with the DR Amendment.

For the avoidance of doubt, where a provision is amended pursuant to this Condition 8(e) in accordance with the DR Amendment, if the event described in such provision occurs in respect of the Underlying Equities or the Underlying Equity Issuer, then the consequence of such event shall be interpreted consistently with the DR Amendment and such event.

(f) ***Definitions applicable to Equity Linked Notes***

“Additional Disruption Event” means Change in Law, Hedging Disruption, Increased Cost of Hedging, Insolvency Filing or any other Additional Disruption Event, in each case if specified as applicable in the relevant Final Terms.

“Asset Transfer Notice” means a duly completed asset transfer notice substantially in the form set out in the Agency Agreement.

“Asset Amount” means the amount specified in respect of a Calculation Amount in the relevant Final Terms, provided that, where the Specified Denomination of such Equity Linked Note is a multiple of the Calculation Amount, the Asset Amount in respect of such Equity Linked Note shall be the product of the amount specified in respect of a Calculation Amount under the Asset Amount section of the relevant Final Terms, and the amount by which a Calculation Amount is multiplied to reach the Specified Denomination.

“Averaging Date” means, in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, each date specified as an Averaging Date in the relevant Final Terms provided that, if the Calculation Agent determines that any Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, is a Disrupted Day and Disrupted Day is specified as applicable in the relevant Final Terms, and if:

- (i) “Omission” is specified in the relevant Final Terms, then such Averaging Date will be deemed not to be an Averaging Date for purposes of determining the relevant Reference Value. If through the operation of this provision there would not be an Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, then the provisions relating to “Valuation Date” will apply for the purposes of determining the Reference Value for the final Averaging Date as if such final Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date,

an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, were a Valuation Date that was a Disrupted Day;

- (ii) “Postponement” is specified in the relevant Final Terms, then the provisions relating to “Valuation Date” will apply for the purpose of determining the relevant Reference Value for that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be; or
- (iii) “Modified Postponement” is specified in the relevant Final Terms, then:
 - (A) where the Equity Linked Notes are specified in the relevant Final Terms to relate to a single Equity, the relevant Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, or Disrupted Day, would have been the final Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, then (I) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) and (II) the Calculation Agent shall, where practicable, determine the Reference Value for that Averaging Date in accordance with the provisions relating to “Valuation Date”; or
 - (B) where the Notes are specified in the relevant Final Terms to relate to a Basket of Equities, the Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, for each Equity not affected by the occurrence of a Disrupted Day shall be the date specified in the relevant Final Terms as an Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, and the Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption

Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, for each Equity affected by the occurrence of a Disrupted Day (each an “**Affected Equity**”) shall be the first succeeding Valid Date in relation to such Affected Equity. If the first succeeding Valid Date in respect of the Affected Equity has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, or Disrupted Day, would have been the final Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, then (I) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be,) in respect of the Affected Equity and (II) the Calculation Agent shall determine the Reference Value for that Averaging Date in accordance with the provisions relating to “Valuation Date”; and

- (C) “Valid Date” shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, does not or is not deemed to occur.

“Basket of Equities” means a basket composed of the Equities specified in the relevant Final Terms in the relative proportions or numbers of Equities specified in the relevant Final Terms.

“Change in Law” means that, on or after the Trade Date of any Notes (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (ii) 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 and/or any of its Affiliates determines in good faith that (A) it has become illegal to hold, acquire or dispose of Equities relating to its hedge position in respect of such Notes or (B) it will incur a materially increased cost in performing its obligations under such Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefits or other adverse effect on its tax position).

“Clearance System” means, in respect of an Equity where physical delivery is applicable, the principal domestic clearance system customarily used for settling trades in such Equity or

any successor to such clearance system as determined by the Calculation Agent, or such other clearance system specified in the relevant Final Terms or any successor to such clearance system as determined by the Calculation Agent.

“Clearance System Business Days”

means, in respect of a Clearance System, any day on which such Clearance System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

“Coupon Observation Date_(i)”, “Obligatory Redemption Observation Date_(i)”, “Final Redemption Barrier Observation Date_(i)” and “Final Redemption Observation Date_(i)”

means, in respect of a Coupon Observation Date, Obligatory Redemption Observation Date, Final Redemption Barrier Observation Date or Final Redemption Observation Date, as the case may be, each date specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless Disrupted Day is specified as applicable in the relevant Final Terms and, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day:

- (i) where the Notes are specified in the relevant Final Terms to relate to a single Equity, the Observation 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 Observation Date is a Disrupted Day. In that case the eighth Scheduled Trading Day shall be deemed to be the Observation Date, notwithstanding the fact that such day is a Disrupted Day; or
- (ii) where the Notes are specified in the relevant Final Terms to relate to a Basket of Equities, the Observation Date for each Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date, and the Observation Date for each Equity affected by the occurrence of a Disrupted Day (each an “**Affected Equity**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Equity unless each of the eight Scheduled Trading Days immediately following the Scheduled Observation Date is a Disrupted Day relating to the Affected Equity. In that case the eighth Scheduled Trading Day shall be deemed to be the Observation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day.

“Coupon Observation Period_(i)”, “Obligatory Redemption Observation Period_(i)”, “Final Redemption Barrier Observation Period_(i)” and “Final Redemption Observation Period_(i)”

means, in respect of a Coupon Observation Period, Obligatory Redemption Observation Period, Final Redemption Barrier Observation Period and Final Redemption Observation Period, as the case may be, each period specified as such in the relevant Final Terms

For the avoidance of doubt, any such period may comprise a single Scheduled Trading Day or Exchange Business Day, as the case maybe.

“Cut-off Date”

means the Valuation Date or such other date specified in the relevant Final Terms.

“Delisting”

means, in respect of any relevant Equities, the Exchange announces that, pursuant to the rules of such Exchange, such Equities cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted

on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union).

“Delivery Expenses”	means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the delivery of the Asset Amount.
“Deposit Agreement”	means, in relation to the Equities, the agreements or other instruments constituting the Equities, as from time to time amended or supplemented in accordance with their terms.
“Depository”	means, where the relevant Final Terms specifies that either the “Partial Lookthrough Depository Receipt Provisions” or the “Full Lookthrough Depository Receipt Provisions” shall apply to an Equity, the issuer of the Equities or any successor issuer of the Equities from time to time.
“Disrupted Day”	means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.
“Disruption Cash Settlement Price”	means an amount equal to the market value of the relevant Note (but not taking into account any interest accrued on such Note as such interest shall be paid pursuant to Conditions 4 and 8) on such day as shall be selected by the Issuer in its sole and absolute discretion provided that such day is not more than 15 days before the date on which the Election Notice is given as provided above adjusted to take account fully for any losses, expenses and costs to the Issuer and/or any Affiliate of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any options or selling or otherwise realising any Relevant Asset or other instruments of any type whatsoever which the Issuer and/or any of its Affiliates may hold as part of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.
“DR Amendment”	means, in respect of the definitions of Merger Event, Tender Offer, Nationalisation, Insolvency, Delisting, Insolvency Filing, Change in Law, any other Additional Disruption Event specified as applicable in the relevant Final Terms, Exchange Disruption, Market Disruption Event and Trading Disruption, that the following changes shall be made to such definition or provision where provided for in Condition 8: (a) all references to “Equities” shall be deleted and replaced with the words “Equities and/or the Underlying Equities”; and (b) all references to “Equity Issuer” shall be deleted and replaced with the words “Equity Issuer or Underlying Equity Issuer, as appropriate”.
“Early Closure”	means the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange(s) 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(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.
“Equity” or “Equities”	means the share(s) or other securities specified in the relevant Final Terms.

“Equity Issuer”	means, in respect of an Equity, the issuer of such Equity.
“ETN Early Redemption”	means on or after the Trade Date of the Notes, the Equities are redeemed in full prior to their scheduled maturity date for any reason in accordance with the terms and conditions of the Equities.
“ETN Event of Default”	means on or after the Trade Date of the Notes, any event of default occurs under the terms and conditions of the Equities.
“Exchange”	means, in respect of an Equity, each exchange or quotation system specified as such for such Equity in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Equity on such temporary substitute exchange or quotation system as on the original Exchange).
“Exchange Business Day”	means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or 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 (i) to effect transactions in, or obtain market values for, the Equities on the Exchange, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Equities on any relevant Related Exchange.
“Failure to Deliver Settlement Price”	means, in respect of each nominal amount of the Notes equal to the lowest Specified Denomination, the fair market value of the Affected Relevant Assets on the fifth Business Day prior to the date on which the Failure to Deliver Notice is given as provided above, less the proportionate cost to the Issuer and/or its Affiliates of unwinding or adjusting any underlying or related hedging arrangements in respect of the Notes, all as calculated by the Calculation Agent in its sole and absolute discretion.
“Hedging Disruption”	means that the Issuer and/or any of its 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 or other price risk of the Issuer issuing and performing its obligations with respect to the Notes or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).
“Increased Cost of Hedging”	means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) 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 or other price risk of the Issuer issuing and performing its obligations with respect to the Notes, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s) provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

“Initial Fixing Date”	means the Initial Fixing Date specified in the relevant Final Terms or if such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day.
“Insolvency”	means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of, or any analogous proceeding affecting, an Equity Issuer (i) all the Equities of that Equity Issuer are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Equities of that Equity Issuer become legally prohibited from transferring them.
“Insolvency Filing”	means that the Equity Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Equity Issuer shall not be deemed an Insolvency Filing.
“Market Disruption Event”	means, in respect of an Equity, the occurrence or existence of (i) a Trading Disruption, (ii) Exchange Disruption which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time, as the case may be, or (iii) an Early Closure.
“Merger Date”	means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.
“Merger Event”	means, in respect of any relevant Equities, any (i) reclassification or change of such Equities that results in a transfer of or an irrevocable commitment to transfer all of such Equities outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of an Equity Issuer, with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Issuer is the continuing entity and which does not result in a reclassification or change of all of such Equities outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Equities of the Equity Issuer that results in a transfer of or an irrevocable commitment to transfer all such Equities (other than such Equities owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Equity Issuer or its subsidiaries with or into another entity in which the Equity Issuer is the continuing entity and which does not result in a reclassification or change of all such Equities outstanding but results in the outstanding Equities (other than Equities owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Equities immediately following such event (a “Reverse Merger”), in each case if the Merger Date is on or before the Valuation Date or, if the Notes are to be redeemed by delivery of Equities, the Maturity Date.
“Multiplier”	means the weight of each of the Equities comprising the Basket of Equities as

specified in the relevant Final Terms.

“Nationalisation”	means that all the Equities or all or substantially all the assets of an Equity Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.
“Observation Date(s)”	means each of Coupon Observation Date _(i) , Obligatory Redemption Observation Date _(i) , Final Redemption Barrier Observation Date _(i) and Final Redemption Observation Date _(i) .
“Observation Period(s)”	means each of a Coupon Observation Period _(i) , Obligatory Redemption Observation Period _(i) , Final Redemption Barrier Observation Period _(i) and Final Redemption Observation Period _(i) .
“Potential Adjustment Event”	<p>means any of the following:</p> <ul style="list-style-type: none">(i) a subdivision, consolidation or reclassification of relevant Equities (unless resulting in a Merger Event), or a free distribution or dividend of any such Equities to existing holders by way of bonus, capitalisation or similar issue;(ii) a distribution, issue or dividend to existing holders of the relevant Equities specified in the relevant Final Terms of (A) such Equities, (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer equally or proportionately with such payments to holders of such Equities, (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer as a result of a spin-off or other similar transaction or (iv) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;(iii) an extraordinary dividend (determined by the Calculation Agent, in its sole and absolute discretion, whether such dividend is extraordinary);(iv) a call by an Equity Issuer in respect of relevant Equities that are not fully paid;(v) a repurchase by an Equity Issuer or any of its subsidiaries of relevant Equities whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or(vi) in respect of an Equity Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Equity Issuer, pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; and(vii) any other event having, in the opinion of the Calculation Agent, a dilutive, concentrative or other effect on the theoretical value of the relevant Equities.

“Reference Value”

means:

- (i) where the Notes are specified in the relevant Final Terms to relate to a single Equity, an amount equal to the official closing price on the relevant date (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) of the Equity quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such official closing price (or, as the case may be, price at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) can be determined at such time, the Calculation Agent’s good faith estimate of the value of the Equity as of the actual closing time of the Exchange on the relevant date (or the value of the Equity at the Valuation Time on the relevant date, if Valuation Time is specified in the relevant Final Terms); and
- (ii) where the Notes are specified in the relevant Final Terms to relate to a Basket of Equities, an amount equal to the sum of the values calculated for each Equity as the official closing price (or the price at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) of the Equity quoted on the relevant Exchange as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such official closing price (or price at the Valuation Time on the relevant date, if a Valuation Time is specified in the relevant Final Terms) can be determined at such time, the Calculation Agent’s good faith estimate of the value of the Equity as of the actual closing time of the Exchange on the relevant date (or the value of the Equity at the Valuation Time on the relevant date, if Valuation Time is specified in the relevant Final Terms), multiplied by the relevant Multiplier.

“Related Exchange”

means, in relation to an Equity, each exchange or quotation system specified as such in relation to such Equity in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Equity has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Equity on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where “All Exchanges” is specified as the Related Exchange in the relevant Final Terms, “Related Exchange” shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Equity.

“Relevant Assets”

means the assets specified as such in the relevant Final Terms.

“Replacement DRs”

means depositary receipts other than the Equities over the same Underlying Equities.

“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, without regard to after hours or any other trading outside the regular trading session hours.

“Scheduled Observation Date”	means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.
“Scheduled Trading Day”	means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.
“Scheduled Valuation Date”	means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.
“Settlement Cycle”	means, in respect of an Equity, the period of Clearance System Business Days following a trade in such Equities on the Exchange in which settlement will customarily occur according to the rules of the Exchange and, in respect of an Exchange-traded contract that relates to such Equity, the period of Exchange Business Days following a trade in such Exchange-traded contract on the Exchange in which settlement will customarily occur according to the rules of such Exchange.
“Settlement Disruption Event”	means an event beyond the control of the Issuer (including but not limited to non-delivery of the Asset Amount by a counterparty to an agreement entered into by the Issuer and/or its Affiliates to hedge the Notes) as a result of which, in the opinion of the Calculation Agent, delivery of the Asset Amount by or on behalf of the Issuer in accordance with these Terms and Conditions and/or the relevant Final Terms is not practicable.
“Strike”	means the price (if any) specified as such in the relevant Final Terms and if applicable any of FR_Strike_1, FR_Strike_2, FR_Strike_3, FR_Strike_4 and Obligatory Redemption Strike(.).
“Tender Offer”	means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Equity Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.
“Trade Date”	means the date specified as such in the relevant Final Terms.
“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 the Equity on the Exchange, or (ii) in futures or options contracts relating to the Equity on any relevant Related Exchange.
“Underlying Equity” or “Underlying Equities”	means the share(s) or other securities which are the subject of the Deposit Agreement.
“Underlying Equity Issuer”	means the issuer of the Underlying Equities.
“Valuation Date”	means each date specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless Disrupted Day is specified as applicable in the relevant Final Terms

and, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day:

- (i) where the Notes are specified in the relevant Final Terms to relate to a single Equity, 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 the eighth Scheduled Trading Day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day; or
- (ii) where the Notes are specified in the relevant Final Terms to relate to a Basket of Equities, the Valuation Date for each Equity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Equity affected by the occurrence of a Disrupted Day (each an “**Affected Equity**”) shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to the Affected Equity unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to the Affected Equity. In that case the eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the Affected Equity, notwithstanding the fact that such day is a Disrupted Day.

“**Valuation Time**” means the Scheduled Closing Time on the relevant Exchange on the relevant date in relation to each Equity to be valued or such other time specified in the relevant Final Terms. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

9. Fund Linked Notes

(a) *Redemption of Fund Linked Redemption Notes*

Unless previously redeemed or purchased and cancelled, each Fund Linked Redemption Note will be redeemed by the Issuer on the Maturity Date at the Final Redemption Amount specified in, or determined in the manner specified in, the relevant Final Terms.

(b) *Adjustments in relation to a Trigger Event*

Each of the following events in respect of a Reference Fund, as determined by the Calculation Agent in its sole and absolute discretion, constitutes a “**Trigger Event**”:

- (i) all the Fund Interests or all or substantially all the assets of a Reference Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof (a “**Nationalisation**”);
- (ii) by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Reference Fund, (A) all the Fund Interests of that Reference Fund are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Fund Interests of that Reference Fund become legally prohibited from transferring or redeeming them (an “**Insolvency**”);
- (iii) the Reference Fund or a Fund Service Provider:

- (A) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (B) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (C)
 - I. institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official; or
 - II. has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in paragraph (A) above and either:
 - (1) results in a judgment of insolvency or bankruptcy or the entry of an order of relief or the making of an order for its winding-up or liquidation; or
 - (2) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution and presentation thereof;
- (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (E) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or
- (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (A) to (E) (inclusive) above (all of which shall be termed, a **"Fund Insolvency Event"**);
- (iv) in respect of any Reference Fund, (A) the resignation, termination or replacement of its Fund Adviser or any Fund Service Provider, (B) the resignation, termination, death or replacement of any key person specified in the relevant Final Terms or (C) any change in the personnel of the Fund Adviser or any Service Provider which the Calculation Agent considers material (a **"Key Person Event"**);
- (v) any actual or anticipated material breach or violation of any strategy or investment guidelines stated in the Fund Documents that is reasonably likely to affect the value of such Fund Interest or the rights or remedies of any holders thereof (in each case as determined by the Calculation Agent in its sole and absolute discretion) (a **"Strategy Breach"**);

- (vi) the cancellation, suspension or revocation of the registration or approval of any Fund Interest of the related Reference Fund or any Fund Service Provider by any governmental, legal or regulatory entity with authority over such Reference Fund or Fund Service Provider;
- (vii) any change in the legal, tax, accounting or regulatory treatments of the relevant Reference Fund or any Fund Service Provider that is reasonably likely to have an adverse effect on the value of the relevant Fund Interest or on any investor therein (as determined by the Calculation Agent in its sole and absolute discretion);
- (viii) the related Reference Fund or any of its Fund Service Providers becomes subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Reference Fund or such Fund Service Provider (all of (vi) to (viii) shall be termed “**Regulatory Action**”);
- (ix) in respect of any Fund Interest, (A) the occurrence of any event affecting such Fund Interest that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Interest, and such event continues for at least the time period specified in the relevant Final Terms or, if no such time period is specified, the foreseeable future, or (B) any failure of the related Reference Fund to deliver, or cause to be delivered, (I) information that such Reference Fund has agreed to deliver, or cause to be delivered to the Calculation Agent or (II) information that has been previously delivered to the Calculation Agent, in accordance with such Reference Fund’s, or its authorised representative’s, normal practice and that the Calculation Agent deems necessary to monitor such Reference Fund’s compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to such Fund Interests (a “**Reporting Disruption**”);
- (x) any material change or modification of the related Fund Documents or investment procedures (including, but not limited to, the Reference Fund’s (A) strategy, (B) investment guidelines, (C) liquidity, where such a change in liquidity results in an increase in volatility, (D) types of investments in which the Reference Fund invests, their liquidity, term, credit risk and diversification and (E) accounting currency), in each case as compared with those prevailing on the Issue Date that could reasonably be expected to affect the value of such Fund Interest or the rights or remedies of any holders thereof, in each case as determined by the Calculation Agent and as compared with those prevailing on the Issue Date (a “**Fund Modification**”);
- (xi) any event or circumstance that results or is likely to result in a Hypothetical Investor being unable, or it being impractical, to purchase, redeem for cash, hold or transfer Fund Interest Units, including, but not limited to, the suspension by the Reference Fund of Fund Interest Units subscriptions or redemptions and compulsory redemptions;
- (xii) a Hypothetical Investor is subject to new or more onerous restrictions on its ability to subscribe for, transfer or redeem, Fund Interest Units (including, but not limited to, the imposition of, or increase in, fees or charges in relation to redemptions, subscriptions or transfers of Fund Interest Units) or a change in the voting rights attached to the Fund Interest Units, in each case as compared with those (if any) applicable to the Hypothetical Investor on the Issue Date;
- (xiii) a Hypothetical Investor is prevented, due to circumstances beyond its control, from remitting (i) subscription moneys and/or redemption proceeds in respect of the Fund Interest Units; or (ii) any payments relating to any over-the-counter derivative transaction(s) linked to the Fund Interest Units (all of (xi) to (xiii) shall be termed a “**Fund Hedging Disruption**”);
- (xiv) a Hedging Party would incur:

- (A) a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk relating to any Fund Interest Unit as a result of entering into and performing its obligations with respect to the issue of a security similar to the Notes, and any costs associated with unwinding any hedge positions relating to a security similar to the Notes; and
 - (B) an increase in charges or fees imposed by the Reference Fund on any investor's ability to redeem Fund Interest Units, in whole or in part, or any existing or new investor's ability to make new or additional investments in the Fund Interest Units (both of which shall be termed an **"Increased Cost of Hedging"**);
- (xv) on or after the Issue Date, due to the:
- (A) adoption of or any change in any applicable law or regulation (including, without limitation, any tax law); or
 - (B) 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 Calculation Agent determines that (I) it has become illegal to hold, acquire or dispose of Fund Interests or (II) the Issuer will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any adverse effect on its tax position) (a **"Change in Law"**);
- (xvi) the Fund Administrator or the Reference Fund fails, for any reason other than of a technical or operational nature, to calculate and announce the official Fund Interest Price within the number of days specified in the relevant Final Terms of the date on which such Fund Interest Price was originally scheduled to be announced (a **"NAV Disruption Event"**);
 - (xvii) any legal action, suit or proceeding has been taken or brought, or is threatened or pending, against the Reference Fund or any of its Fund Service Providers which, if resolved against the Reference Fund or Fund Service Provider has, or would have, a material adverse effect on the reputation of the Reference Fund and/or the price of its Fund Interest Units (a **"Legal Action"**);
 - (xviii) a Reference Fund fails to satisfy the requirements of the Calculation Agent's initial and on-going due diligence process and other internal control procedures (as such procedures may be amended from time to time) (a **"Due Diligence Failure"**);
 - (xix) (A) the Reference Fund and/or the Fund Manager and/or the Fund Adviser fails to execute a Trading Agreement, if required by the Calculation Agent, or (B) any breach, violation or termination by the Reference Fund and/or the Fund Manager and/or the Fund Adviser of the Trading Agreement (a **"Trading Agreement Event"**);
 - (xx) the official Fund Interest Price of the Fund Interest Units has decreased by an amount equal to or greater than the percentage amount specified in the relevant Final Terms during the period specified in the relevant Final Terms (a **"NAV Trigger Event"**);
 - (xxi) the aggregate nominal amount of the Notes minus the nominal amount of the Notes repurchased and/or cancelled by the Issuer at any time is less than USD 200,000 (or such other amount as specified in the relevant Final Terms) or its equivalent in the Specified Currency (the **"Minimum Outstanding Amount of Notes"**);

- (xxii) a material alteration of the stated benchmark of the Reference Fund, as specified in the relevant Final Terms (a “**Benchmark Change**”);
- (xxiii) in respect of any Fund Interests, any (A) reclassification or change of such Fund Interests that results in a transfer of or an irrevocable commitment to transfer all or any of such Fund Interests outstanding to another entity or person, (B) consolidation, amalgamation, merger or binding share exchange of a Reference Fund with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Reference Fund is the continuing entity and which does not result in a reclassification of or change to any Fund Interests), (C) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Fund Interests of any particular Reference Fund that results in a transfer of or an irrevocable commitment to transfer all such Fund Interests (other than such Fund Interests owned or controlled by such other entity or person) or (D) consolidation, amalgamation, merger or binding share exchange of a Reference Fund or any subsidiaries thereof with or into another entity in which such Reference Fund is the continuing entity and which does not result in a reclassification of or change to all Fund Interests outstanding of such Reference Fund but results in such outstanding Fund Interests (other than the Fund Interests owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Fund Interests immediately following such event (an “**Organisational Change**”);
- (xxiv) the aggregate net asset value of assets managed by the Fund Adviser on behalf of the Reference Fund falls below EUR 200,000,000 (or such other amount as specified in the relevant Final Terms) or its equivalent in the Specified Currency (an “**Assets Under Management Trigger**”);
- (xxv) a subdivision, consolidation or reclassification of the relevant number of Fund Interest Units or amount of Fund Interest, or a free distribution or dividend of any such Fund Interest to existing holders by way of bonus, capitalisation or similar issue;
- (xxvi) a distribution, issue or dividend to existing holders of the relevant Fund Interest of (A) an additional amount of such Fund Interest, (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Reference Fund equally or proportionately with such payments to holders of such Fund Interest, (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Reference Fund as a result of a spin-off or other similar transaction or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (xxvii) an extraordinary dividend (determined by the Calculation Agent, in its sole and absolute discretion, to be extraordinary);
- (xxviii) a repurchase by the Reference Fund of relevant Fund Interests whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Fund Interests initiated by an investor in such Fund Interests that is consistent with the Fund Documents;
- (xxix) any other event that the Calculation Agent determines may have a dilutive or concentrative effect on the theoretical value of the relevant Fund Interest Units or amount of Fund Interest (all of (xxv) to (xxix) shall be termed “**Potential Adjustment Events**”);
- (xxx) any event or circumstance (whether or not in accordance with the constitutive documents and investment guidelines of the Reference Fund) in respect of the Reference Fund which mandatorily obliges a Hypothetical Investor to sell or otherwise dispose of any Fund Interests (a “**Compulsory Disposal Event**”);

- (xxxix) the currency of denomination of the Fund Interests is amended and/or the net asset value of the Fund Interests is no longer calculated in the currency that applied when the same first became invested in (whether directly or indirectly) by the Issuer (a “**Currency Change**”);
- (xxxii) any gate, suspension, or side pocketing imposed on Fund Interests by the Reference Fund or any impairment to the actual or documented liquidity terms of (A) the Fund Interests or (B) any other similar fund managed by the same manager as manages the Reference Fund, as determined in the sole and absolute discretion of the Calculation Agent (a “**Liquidity Impairment**”);
- (xxxiii) significant market, trading or exchange disruption and/or crisis in the major financial markets (a “**General Disruption**”); and/or
- (xxxiv) any other event specified in the relevant Final Terms as a Trigger Event (“**Additional Trigger Events**”).

Following the occurrence of a Trigger Event (and regardless of whether or not such event is then continuing) in respect of a Reference Fund (such Reference Fund being the “**Affected Reference Fund**”), its Fund Adviser or any of its Fund Service Providers, the Calculation Agent may, in its sole and absolute discretion, take one or more of the following actions (each a “**Permitted Action**”):

- (i) (A) make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms relating to the Terms and Conditions of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Trigger Event and (B) determine the effective date of such adjustments;
- (ii) (A) select a replacement fund (the “**Successor Reference Fund**”) which the Calculation Agent determines, in its sole and absolute discretion, has a similar strategy, style, liquidity as the Affected Reference Fund and (B) select the appropriate date (the “**Substitution Date**”) for the notional replacement of the Affected Fund by the Successor Reference Fund.

Following any such selection, (A) the Successor Reference Fund shall replace the Affected Reference Fund on the Substitution Date, (B) references herein to the Reference Fund shall be deemed to be references to the Successor Reference Fund with effect from the Substitution Date and (C) the Calculation Agent shall, in good faith, make such adjustments as it determines to be necessary, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and conditions in relation to the Notes to reflect such substitution; and/or

- (iii) (A) make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms of the Terms and Conditions of the Notes as the Calculation Agent determines are necessary to reflect a notional liquidation of all Fund Interests (with the timing of such notional liquidation being the same timing as would be the case on an actual liquidation of Fund Interests) and a notional investment of the Removal Value in a notional zero coupon bond or such other money market instruments, determined by the Calculation Agent in its sole and absolute discretion, for the remainder of the term of the Notes and (B) determine the effective date of the notional liquidation of the Fund Interests.

Notwithstanding that the Calculation Agent may have previously determined not to take a Permitted Action or has already taken a Permitted Action, it may decide to adopt an additional or different Permitted Action in respect of the same Trigger Event. In such respect, the Calculation Agent may make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms of the Terms and Conditions or relating to the Notes as the Calculation Agent determines appropriate to account for the carrying out of the additional or different Permitted Action. Following the occurrence of a Trigger Event, if the Calculation Agent determines, in its sole and absolute discretion, that it is necessary to do so, the Issuer shall, as soon as reasonable practicable

thereafter, give notice to the Noteholders in accordance with Condition 20, and redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount.

For the avoidance of doubt, where there is more than one Trigger Event in occurrence at the same time, these provisions apply separately to each such occurrence. The Calculation Agent has no obligation to actively monitor or determine whether or not any of the above Trigger Events has occurred and will not be required to, and will not be responsible for any failure to, make any determination, waiver, declaration or decision whatsoever in relation to a Trigger Event. For the avoidance of doubt, neither the Issuer nor the Calculation Agent shall be responsible for any loss, underperformance or opportunity cost suffered or incurred by Noteholders or any other person in connection with the Notes as a result thereof.

Upon making an adjustment pursuant to the above, the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 20 stating the adjustment and giving brief details of the Trigger Event, provided that any failure to give such notice will not affect the validity of such adjustment.

(c) ***Disrupted Days***

(i) Valuation Dates

If the Calculation Agent determines, in its sole and absolute discretion, that any Valuation Date on which the Fund Interest Price is to be determined is a Disrupted Day and Disrupted Day is specified as applicable in the relevant Final Terms, then such Valuation Date shall be the first succeeding Fund Business Day that is not a Disrupted Day, unless each of the Fund Business Days falling in the Cut-off Period is a Disrupted Day. In that case, (A) the final Fund Business Day of the Cut-off Period shall be deemed to be such Valuation Date and (B) the Calculation Agent shall determine the Fund Interest Price of the relevant Fund Interest as its good faith estimate of the Fund Interest Price that would have prevailed, but for the occurrence of a Disrupted Day, on the final Fund Business Day of the Cut-off Period.

(ii) Averaging Dates

If the Calculation Agent determines that any Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, is a Disrupted Day and Disrupted Day is specified as applicable in the relevant Final Terms and if:

- (A) “Omission” is specified in the relevant Final Terms, then such Averaging Date shall be deemed not to be an Averaging Date for the purposes of determining the Fund Interest Price of the relevant Fund Interest. If through the operation of this provision there would not be an Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, then the provisions relating to Valuation Dates in the paragraph above would apply for the purposes of determining the Fund Interest Price of the relevant Fund Interest for the final Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, as if such final Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, were a Valuation Date that was a Disrupted Day;

- (B) “Postponement” is specified in the relevant Final Terms, then the provisions relating to Valuation Dates in the paragraph above will apply for the purposes of determining the Fund Interest Price for the relevant Fund Interest for that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be; or
- (C) “Modified Postponement” is specified in the relevant Final Terms, then:
- I. where the Notes are specified in the relevant Final Terms to relate to a single Fund Interest, the relevant Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the final Fund Business Day of the Cut-off Period for that original date that, but for the occurrence of another Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, or Disrupted Day, would have been the final Averaging Date, in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, then (a) that final Fund Business Day of the Cut-off Period shall be deemed to be the relevant Averaging Date (irrespective of whether such day is already an Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be) and (b) the Calculation Agent shall determine the Fund Interest Price of the relevant Fund Interest for that Averaging Date with its good faith estimate of such Fund Interest Price that would have prevailed, but for the occurrence of a Disrupted Day, on that deemed Averaging Date; and
 - II. where the Notes are specified in the relevant Final Terms to relate to a Basket of Fund Interests, the Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, for each Fund Interest not affected by the occurrence of a Disrupted Day shall be the date specified in the relevant Final Terms as an Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, and the Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, for any Fund Interest affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the final Fund Business Day of the Cut-off Period for that original date that, but for the occurrence of another Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, or Disrupted Day, would have been the final Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, then (a) that final Fund Business Day of the Cut-off Period shall be deemed to be the relevant

Averaging Date (irrespective of whether such day is already an Averaging Date) and (b) the Calculation Agent shall determine the Fund Interest Price of the relevant Fund Interest for that Averaging Date with its good faith estimate of such Fund Interest Price that would have prevailed, but for the occurrence of a Disrupted Day, on that deemed Averaging Date; and

upon the making of any such determinations by the Calculation Agent, the Issuer shall, as soon as reasonably practicable thereafter, give notice to the Noteholders in accordance with Condition 20 of the occurrence of a Disrupted Day on any day that, but for the occurrence or continuance of a Disrupted Day, would have been an Averaging Date or a Valuation Date, as the case may be; provided that any failure to give such notice will not affect the validity of the occurrence and the effect of such Disrupted Day on the Notes.

(d) ***Definitions Applicable to Fund Linked Notes***

- “Additional Fund Documents”** has the meaning given to it in the relevant Final Terms.
- “Averaging Date”** means, in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, each date specified or otherwise determined as provided in the relevant Final Terms.
- “Basket of Funds”** means a basket composed of such Reference Funds specified in the relevant Final Terms in the relative proportions or number of Fund Interest Units of each Reference Fund specified in the relevant Final Terms.
- “Cut-off Period”** means, in respect of any date, the period specified as such in the relevant Final Terms or, if no such period is specified, a period of one calendar year ending on the first anniversary of such date; provided that, if a “Final Cut-off Date” is specified in the relevant Final Terms, then any Cut-off Period that would otherwise end after such Final Cut-off Date shall end on such Final Cut-off Date.
- “Disrupted Day”** means, in respect of a Fund Business Day, the occurrence or continuation of the following events as determined by the Calculation Agent in its sole and absolute discretion:
- (i) a failure by the Reference Fund to publish the Fund Interest Price of the relevant Fund Interest in respect of that Fund Business Day (provided that the Fund Interest Price was scheduled to be published on such Fund Business Day in accordance with the Fund Documents);
 - (ii) the Calculation Agent determining in good faith and a commercially reasonable manner that the Fund Interest Price of the relevant Fund Interest is inaccurate;
 - (iii) the inability of a holder of Fund Interests to subscribe for, or redeem, Fund Interests for value on that Fund Business Day (provided that such Fund Business Day is a day for which subscriptions or redemptions are scheduled to be permissible in accordance with the Fund Documents); or
 - (iv) a postponement or failure of a Reference Fund to make any payment in respect of the redemption of Fund Interests on any day for which such payment is scheduled to be made (in accordance with the Fund Documents).

“Fund Administrator”	means any person specified as such in the relevant Final Terms or, if no person is so specified, the fund administrator, adviser, trustee or similar person with the primary administrative responsibilities for such Reference Fund according to the Fund Documents.
“Fund Adviser”	means any person specified as such in the relevant Final Terms or, if no person is so specified, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary adviser) for such Reference Fund.
“Fund Business Day”	means any day specified as such in the relevant Final Terms or, if no such day is specified, any day that the Reference Fund or the primary Fund Administrator acting on behalf of the Reference Fund is open for business.
“Fund Documents”	means, with respect to any Fund Interest, the constitutive and governing documents, subscription agreements and other agreements of the related Reference Fund specifying the terms and conditions relating to such Fund Interest and any Additional Fund Documents, in each case, as amended from time to time.
“Fund Interest”	means an interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest identified as such in the relevant Final Terms.
“Fund Interest Price”	means, on any Fund Business Day, the price of one Fund Interest in the Specified Currency as at that Fund Business Day, which shall be equal to the available official net asset value of a Fund Interest for that Fund Business Day, as either notified to the Calculation Agent by the relevant Fund Adviser or published by or on behalf of the Reference Fund, less (i) any applicable costs, expenses or taxes that would be incurred by a Hypothetical Investor in redeeming such Fund Interest and (ii) such other fees as are specified as “Redemption Fees” in the relevant Final Terms, in both cases, as determined by the Calculation Agent in its sole and absolute discretion.
“Fund Interest Unit”	means, in respect of a Fund Interest in a Reference Fund, a share of such Fund Interest or, if Fund Interests in such Reference Fund are not denominated as shares, a notional unit of account of ownership of such Fund Interest in such Reference Fund in the amount specified in the relevant Final Terms; provided that if no such amount is so specified, then the entire amount of Fund Interest in which the Hypothetical Investor is deemed to invest on the Trade Date shall be a single Fund Interest Unit.
“Fund Manager”	means any person specified as such in the relevant Final Terms or, if no person is so specified, any person appointed in the role of discretionary or non-discretionary investment manager (including a non-discretionary investment manager to a discretionary investment manager or to another non-discretionary adviser) for such Reference Fund.
“Fund Service Provider”	means, in respect of any Reference Fund, any person who is appointed to provide services, directly or indirectly, for that Reference Fund, whether or not specified in the Fund Documents, including any Fund Adviser, Fund Administrator, operator, management company, depositary, custodian, sub-custodian, prime broker, administrator, trustee, registrar and transfer agent, domiciliary agent and any other person specified as such in the relevant Final Terms.
“Hedging Party”	means, unless otherwise specified in the relevant Final Terms, the Issuer, any of its Affiliates or agent or any special purpose vehicle.

“Hypothetical Investor”	means a hypothetical or actual investor (as determined by the Calculation Agent in the context of the relevant situation) in Fund Interests which is deemed to have the benefits and obligations, as provided in the relevant Fund Documents, of an investor holding Fund Interests at the relevant time. The Hypothetical Investor may be deemed by the Calculation Agent to be resident or organised in any jurisdiction, and to be, without limitation, the Calculation Agent or any Hedging Party (as determined by the Calculation Agent in the context of the relevant situation).
“Multiplier”	means the weight of each of the Reference Funds comprising the Basket of Reference Funds, as specified in the relevant Final Terms.
“Redemption Proceeds”	means, with respect to the relevant number of Fund Interest Units or amount of any Fund Interest, the redemption proceeds, as determined by the Calculation Agent, that would be paid by the related Reference Fund to a Hypothetical Investor who, as of the relevant time, redeems such amount of such Fund Interest; provided that (i) any such proceeds that would be paid in property other than cash shall be valued by the Calculation Agent and (ii) if the Hypothetical Investor would be entitled to elect payment of such redemption proceeds to be made either in the form of cash or other property, the Hypothetical Investor shall be deemed to have elected cash payment, except as otherwise specified in the relevant Final Terms.
“Reference Fund”	means, in respect of a Fund Interest, unless otherwise specified in the relevant Final Terms, the issuer of, or other legal arrangement giving rise to, the relevant Fund Interest.
“Removal Value”	means the Redemption Proceeds minus (i) all expenses and costs incurred by a Hypothetical Investor in connection with (A) redemption of all Fund Interest Units in the Affected Fund and (B) subscription for Fund Interest Units in the Successor Reference Fund and (ii) a spread and cost of funding.
“Scheduled Valuation Date”	means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.
“Trading Agreement”	means a trading agreement entered into between the Reference Fund, the Calculation Agent and the Fund Manager and/or Fund Adviser.
“Valid Date”	means a Fund Business Day which the Calculation Agent determines is not a Disrupted Day and on which another Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, does not or is not deemed to occur.
“Valuation Date”	means each date specified as such in the relevant Final Terms.

10. Commodity Linked Notes

(a) *Redemption of Commodity Linked Redemption Notes*

Unless previously redeemed or purchased and cancelled, each Commodity Linked Redemption Note will be redeemed by the Issuer on the Maturity Date by payment of the Final Redemption Amount on the terms set out in the relevant Final Terms, in each case on the Maturity Date (subject as provided below).

(b) ***Additional Disruption Events, Adjustments for Commodity Linked Notes in respect of Commodities in European Currencies, Correction of Reference Value and Adjustments to a Commodity Index***

- (i) If Additional Disruption Events are specified as applicable in the relevant Final Terms, then, if an Additional Disruption Event occurs:
 - (A) the Calculation Agent will determine, in its sole and absolute discretion, the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Strike and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the relevant Final Terms, and/or remove and/or substitute the relevant Commodity, to account for the Additional Disruption Event and determine the effective date of that adjustment; or
 - (B) by giving notice to the Noteholders in accordance with Condition 20, the Issuer, in its sole and absolute discretion, may redeem all, but not some only, of the Notes, each Note being redeemed at the Early Redemption Amount.

Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice, as soon as practicable, to the Noteholders in accordance with Condition 20 stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

(ii) ***Adjustments for Commodity Linked Notes in respect of Commodities quoted in European Currencies***

In respect of Commodity Linked Notes relating to Commodities originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty, if such Commodities are at any time after the Trade Date quoted, listed and/or dealt exclusively in euro on the relevant Exchange and/or Price Source, then the Calculation Agent will adjust any one or more of the Final Redemption Amount and/or the Strike and/or the Multiplier and/or any of the other terms of these Terms and Conditions and/or the relevant Final Terms as the Calculation Agent determines in its sole and absolute discretion to be appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this Condition 10(b)(ii) will affect the currency denomination of any payment obligation arising out of the Notes.

(iii) ***Correction of the Reference Value***

If the Calculation Agent determines, in respect of any Reference Value, that the price published or announced and used or to be used by the Calculation Agent in any calculation or determination made or to be made in respect of the Notes is subsequently corrected and the correction is published or announced by the person responsible for that publication or announcement within three Business Days after the original publication or announcement, the Calculation Agent will determine, in its sole and absolute discretion, the amount (if any) that is payable following that correction, and whether any adjustment to the terms and conditions of the Notes is required to account for such correction. If the Calculation Agent determines that an adjustment to the terms and conditions is required, the Issuer will, as soon as reasonably practicable, adjust the terms and conditions of the Notes to account for such correction.

(iv) Adjustments to a Commodity Index

(A) Successor Index Sponsor Calculates and Reports a Commodity Index.

If a relevant Commodity Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (the “**Successor Index Sponsor**”) acceptable to the Issuer 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 the Commodity Index, then in each case that index (the “**Successor Index**”) will be deemed to be the Commodity Index.

(B) Modification and Cessation of Calculation of a Commodity Index

If on or prior to a Pricing Date (i) the relevant Index Sponsor makes a material change in the formula for that Commodity Index (other than a modification prescribed in that formula or method to maintain that Commodity Index in the event of changes in constituent commodities and weightings and other routine events), or (ii) the Index Sponsor permanently cancels a relevant Commodity Index or (iii) the Index Sponsor fails to calculate and announce a relevant Commodity Index and there is no Successor Index Sponsor or Successor Index then the Calculation Agent may at its option (in the case of (i)) and shall (in the case of (ii) and (iii)) (such events (i), (ii) and (iii) to be collectively referred to as “**Commodity Index Adjustment Events**”) calculate the Commodity Reference Value using in lieu of the published price or level for that Commodity Index as at the relevant determination date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Commodity Index last in effect prior to the relevant Commodity Index Adjustment Event, but using only those futures contracts that comprised that Commodity Index immediately prior to the relevant Commodity Index Adjustment Event (other than those futures contracts that have ceased to be listed on any relevant exchange).

(C) Corrections to a Commodity Index

If the price or level of a relevant Commodity Index published on any Pricing Date (or, if different, the day on which the price or level for that Pricing Date would, in the ordinary course, be published by the Price Source) by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor and which is utilised for any calculation or determination made for the purposes of the Commodity Linked Securities (a “**Relevant Calculation**”) is subsequently corrected and the correction (the “**Corrected Commodity Index Level**”) published by the relevant Index Sponsor or (if applicable) the relevant Successor Index Sponsor no later than two Business Days prior to the date of payment of any amount to be calculated by reference to the Relevant Calculation then such Corrected Commodity Index Level shall be deemed to be the relevant level for such Commodity Index on such Pricing Date (or, if different, the day on which the price or level for that Pricing Date would, in the ordinary course, be published by the Price Source) and the Calculation Agent shall use such Corrected Commodity Index Level in determining the relevant price or level.

(c) *Definitions applicable to Commodity Linked Notes*

“**Additional Disruption Event**” means Change in Law, Hedging Disruption, Increased Cost of Hedging or any other Additional Disruption Event, in each case if specified as applicable in the relevant Final Terms.

“**Aluminium -** means high grade primary aluminium complying with the contract specifications of

COMEX	COMEX relating to good delivery and fineness from time to time in effect.
“Aluminium - LME”	means high grade primary aluminium complying with the contract specifications of the LME relating to good delivery and fineness from time to time in effect.
“Averaging Date”	<p>means, in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, each date specified as an Averaging Date in the relevant Final Terms provided that, if the Calculation Agent determines that any Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, is a Disrupted Day and Disrupted Day is specified as applicable in the relevant Final Terms, and if:</p> <ul style="list-style-type: none"> (i) “Omission” is specified in the relevant Final Terms, then such Averaging Date will be deemed not to be an Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, for purposes of determining the relevant Reference Value. If through the operation of this provision there would not be an Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, then the provisions relating to “Valuation Date” will apply for the purposes of determining the Reference Value for the final Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, as if such final Averaging Date were a Valuation Date that was a Disrupted Day; (ii) “Postponement” is specified in the relevant Final Terms, then the provisions relating to “Valuation Date” will apply for the purpose of determining the relevant Reference Value for that Averaging Date as if such Averaging Date were a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a date that already is or is deemed to be an Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be; or (iii) “Modified Postponement” is specified in the relevant Final Terms, then: <ul style="list-style-type: none"> (A) where the Commodity Linked Notes are specified in the relevant Final Terms to relate to a single Commodity, the relevant Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth

Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, or Disrupted Day, would have been the final Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, then (I) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be) and (II) the Calculation Agent shall, where practicable, determine the Reference Value for that Averaging Date in accordance with the provisions relating to “Valuation Date”; or

- (B) where the Notes are specified in the relevant Final Terms to relate to a Basket of Commodities, the Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, for each Commodity not affected by the occurrence of a Disrupted Day shall be the date specified in the relevant Final Terms as an Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, and the Averaging Date for each Commodity affected by the occurrence of a Disrupted Day (each an “**Affected Commodity**”) shall be the first succeeding Valid Date in relation to such Affected Commodity. If the first succeeding Valid Date in respect of the Affected Commodity has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, or Disrupted Day, would have been the final Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, then (I) that eighth Scheduled Trading Day shall be deemed to be the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of the Affected Commodity and (II) the Calculation Agent shall determine the Reference Value for that Averaging Date in accordance with the provisions relating to “Valuation Date”; and

- (C) **“Valid Date”** shall mean a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date in respect of the Initial Fixing Date, a Coupon Observation Date, an Obligatory Redemption Observation Date, a Final Redemption Barrier Observation Date, a Final Redemption Observation Date or the Valuation Date, as the case may be, does not or is not deemed to occur.

“Basket of Commodities”	means a basket composed of the Commodities specified in the relevant Final Terms in the relative proportions or numbers of Commodities specified in the relevant Final Terms.
“Basket of Commodity Indices”	means a basket composed of the Commodity Indices specified in the relevant Final Terms in the relative proportions or numbers of Commodity Indices specified in the relevant Final Terms.
“Bullion”	means Gold, Silver, Platinum or Palladium, as the case may be.
“Bullion Business Day”	means, in respect of any Commodity Linked Notes for which the Commodity is Bullion, any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in London and New York and in the location where payment is to be made.
“Bullion Reference Dealers”	means, with respect to any Bullion for which the relevant Commodity Reference Price is “Commodity Reference Dealers”, the four major dealers that are the members of the LBMA specified in the relevant Final Terms or, if no such Bullion Reference Dealers are specified, as selected by the Calculation Agent, in each case, acting through their principal London offices.
“Calculation Agent Determination”	means that the Calculation Agent will determine the Reference Value (or a method for determining the Reference Value), taking into consideration the latest available quotation for the relevant Commodity Reference Price and any other information that in good faith it deems relevant.
“CBOT”	means the Chicago Board of Trade, or its successor.
“Change in Law”	means that, on or after the Trade Date of any Notes, (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction (including, without limitation, the Commodity Futures Trading Commission or any relevant exchange or trading facility) of any applicable law or regulation (including any action taken by a taxing authority), the Issuer and/or any of its Affiliates determines in good faith that (A) it has become illegal to hold, acquire or dispose of the Commodity or to enter into transactions on or relating to the Commodity (including without limitation, futures contracts) or (B) it will incur a materially increased cost in performing its obligations under such Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefits or other adverse effect on its tax position).
“COMEX”	means the COMEX Division, or its successor, of the New York Mercantile Exchange, Inc. or its successor.
“Commodity”	means commodities or commodity prices, as specified in the relevant Final Terms.

“Commodity Business Day”	means (i) in respect of a Commodity (provided the Commodity is not Bullion), if the Reference Value is a price announced or published by an Exchange, a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which that Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its Scheduled Closing Time and (ii) in respect of a Commodity (provided the Commodity is not Bullion) if the Reference Value is not a price announced or published by an Exchange, a day in respect of which the relevant Price Source published (or, but for the occurrence of a Market Disruption Event, would have published) a price.
“Commodity Index”	means an index comprising various commodities or commodity prices, as specified in the relevant Final Terms.
“Commodity Reference Dealers”	means that the price for a Pricing Date will be determined on the basis of quotations provided by Reference Dealers or Bullion Reference Dealers, as applicable, on that Pricing Date of that day’s Specified Price for a Unit of the relevant Commodity for delivery on the Delivery Date, if applicable. If four quotations are provided as requested, the price for that Pricing Date will be the arithmetic mean of the Specified Prices for that Commodity provided by each Reference Dealer or Bullion Reference Dealer, as applicable, without regard to the Specified Prices having the highest and lowest values. If exactly three quotations are provided as requested, the price for that Pricing Date will be the Specified Price provided by the relevant Reference Dealer or Bullion Reference Dealer that remains after disregarding the Specified Prices having the highest and lowest values. For this purpose, if more than one quotation has the same highest value and lowest value, then the Specified Price of one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the price for the Pricing Date cannot be determined.
“Commodity Reference Price”	means (i) in respect of all commodities, an amount equal to the reference price or spot price for the Specified Commodity specified in the relevant Final Terms and (ii) in respect of a Commodity Index, the Commodities Reference Price specified in the relevant Final Terms or if not so specified, the official closing level of such Commodity Index.
“Copper - COMEX”	means high grade copper complying with the contract specifications of COMEX relating to good delivery and fineness from time to time in effect.
“Copper - LME”	means high grade copper complying with the Copper Grade A contract specifications of the LME relating to good delivery and fineness from time to time in effect.
“Corn”	means deliverable grade corn complying with the contract specifications of the CBOT relating to good delivery and fineness from time to time in effect.
“Coupon Observation Date_(i)”, “Obligatory Redemption Observation Date_(i)”, “Final Redemption Barrier Observation Date_(i)” and “Final Redemption	means, in respect of a Coupon Observation Date, Obligatory Redemption Observation Date, Final Redemption Barrier Observation Date or Final Redemption Observation Date, as the case may be, each date specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless Disrupted Day is specified as applicable in the relevant Final Terms and, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day: <ul style="list-style-type: none"> (i) where the Notes are specified in the relevant Final Terms to relate to a single Commodity, the Observation Date shall be a date determined by the

Observation Date_(i)	Calculation Agent, in its sole and absolute discretion, in accordance with the first applicable Disruption Fallback specified in the relevant Final Terms (an “ Affected Commodity ”); or
(ii)	where the Notes are specified in the relevant Final Terms to relate to a Basket of Commodities, the Observation Date for each Commodity not affected by the occurrence of a Disrupted Day shall be the Scheduled Observation Date, and the Observation Date for each Commodity affected by the occurrence of a Disrupted Day shall be a date determined by the Calculation Agent, in its sole and absolute discretion, in accordance with the first applicable Disruption Fallback specified in the relevant Final Terms (each an “ Affected Commodity ”).
“Coupon Observation Period_(i)”, “Obligatory Redemption Observation Period_(i)”, “Final Redemption Barrier Observation Period_(i)” and “Final Redemption Observation Period_(i)”	means, in respect of a Coupon Observation Period, Obligatory Redemption Observation Period, Final Redemption Barrier Observation Period and Final Redemption Observation Period, as the case may be, each period specified as such in the relevant Final Terms For the avoidance of doubt, any such period may comprise a single Scheduled Trading Day or Exchange Business Day, as the case maybe.
“Delayed Publication or Announcement”	means, in respect of the Affected Commodity, that the Reference Value for the relevant Pricing Date will be determined based on the Specified Price in respect of the original day scheduled as such Pricing Date that is published or announced by the relevant Price Source retrospectively on the first succeeding Commodity Business Day or Bullion Business Day, as applicable, on which the relevant Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist (measured from and including the original day that would otherwise have been the Pricing Date) or the Reference Value continues to be unavailable for two consecutive Commodity Business Days or Bullion Business Days, as applicable. In that case, the next Disruption Fallback specified in the relevant Final Terms will apply. If, as a result of a delay pursuant to Delayed Publication or Announcement, a Reference Value is unavailable to determine the Final Redemption Amount by the date falling two Business Days prior to the Scheduled Maturity Date, then the Maturity Date will be delayed by the same number of Commodity Business Days or Bullion Business Days, as the case may be, as was the determination of each Reference Value, provided that the Maturity Date shall not be any earlier than the second Business Day after the date that the Reference Value of the Affected Commodity is determined in accordance with the provisions hereof.
“Delivery Date”	means, in respect of a Reference Value, the Nearby Month of expiration of the relevant Futures Contract or the relevant date or month for delivery of the underlying (which must be a date or month reported or capable of being determined from information reported in or by the relevant Price Source) as follows: (i) if a date is, or a month and year are, specified in the relevant Final Terms, that date or that month and year;

- (ii) if a Nearby Month is specified in the relevant Final Terms, the month of expiration of the relevant Futures Contract; and
- (iii) if a method is specified for the purpose of determining the Delivery Date, the date or the month and year determined pursuant to that method,

in each case as determined by the Calculation Agent.

“Disappearance of Reference Value”

means: (i) the permanent discontinuation of trading in the relevant Futures Contract on the relevant Exchange; (ii) the disappearance of, or of trading in, the relevant Commodity; or (iii) the disappearance or permanent discontinuance or unavailability of the relevant Reference Value, notwithstanding the availability of the related Price Source or the status of trading in the relevant Futures Contract or Commodity.

“Disrupted Day”

means any Scheduled Trading Day on which a relevant Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

“Disruption Fallback”

means any of Fallback Reference Dealers, Fallback Reference Price, Postponement, Calculation Agent Determination and Delayed Publication or Announcement, specified to be applicable in the relevant Final Terms and in the order specified in the relevant Final Terms.

“Early Closure”

means the closure on any Exchange Business Day of the relevant Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange system for execution at the Valuation Time on such Exchange Business Day.

“EURONEXT LIFFE”

means Euronext B.V. London International Financial Futures and Options Exchange. or its successor.

“Exchange”

means, in respect of a Specified Commodity, the exchange or principal trading market specified in the definition of Commodity Reference Price in the relevant Final Terms.

“Exchange Business Day”

means any Scheduled Trading Day on which each Exchange is open for trading during its respective regular trading sessions, notwithstanding any such Exchange closing prior to its Scheduled Closing Time.

“Fallback Reference Dealers”

means that the Reference Value, in respect of an Affected Commodity, will be determined in accordance with Commodity Reference Dealers.

“Fallback Reference Price”

means that the Calculation Agent will determine the Reference Value, in respect of an Affected Commodity, based on the price for the relevant Pricing Date of the first alternate Reference Value, if any, specified in the relevant Final Terms and not subject to a Market Disruption Event.

“Futures Contract”

means, in respect of any Reference Value, the contract for future delivery of a contract size in respect of the relevant Delivery Date relating to the Commodity referred to in that Reference Value.

“Gold”	means gold bars or unallocated gold complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect.
“Hedging Disruption”	means that the Issuer and/or any of its 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 commodity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).
“ICE”	means the IntercontinentalExchange TM or its successor.
“Increased Cost of Hedging”	means that the Issuer and/or any of its Affiliates would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the commodity or other price risk of the Issuer issuing and performing its obligations with respect to the Notes or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.
“Index Sponsor”	means, in relation to a Commodity Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Commodity Index and (b) announces (directly or through an agent) the level of such Commodity Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the relevant Final Terms.
“Initial Fixing Date”	means the Initial Fixing Date specified in the relevant Final Terms or if such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day.
“LBMA”	means the London Bullion Market Association or its successor.
“LME”	means The London Metal Exchange Limited or its successor.
“LPPM”	means the London Platinum and Palladium Market or its successor.
“Market Disruption Event”	means, in respect of a Commodity, the occurrence or existence of (i) a Price Source Disruption, (ii) a Trading Disruption, (iii) a Disappearance of Reference Value, (iv) a Tax Disruption, (v) a Material Change in Content or a Material Change in Formula, at any time during the one-hour period that ends at the relevant Valuation Time, as the case may be, or (vi) an Early Closure.
“Material Change in Content”	means the occurrence since the Trade Date of a material change in the content, composition or constitution of the Commodity or relevant Futures Contract.
“Material Change in Formula”	means the occurrence since the Trade Date of a material change in the formula for or method of calculating the relevant Reference Value.
“Maximum Days of Disruption”	means the consecutive Maximum Number of Days of Disruption, as specified in the relevant Final Terms or, if not so specified, two Commodity Business Days or, in the case of Bullion, Bullion Business Days (measured from and including the

original day that would have been the relevant Pricing Date).

“Multiplier”	means the weight of each of the Commodities comprising the Basket of Commodities as specified in the relevant Final Terms.
“Natural Gas – HENRY HUB - NYMEX”	means natural gas complying with the Henry Hub Natural Gas futures contract specifications of NYMEX relating to good delivery and fineness from time to time in effect.
“Natural Gas - NYMEX”	means natural gas complying with the contract specifications of NYMEX relating to good delivery and fineness from time to time in effect.
“Nearby Month”	when preceded by a numerical adjective, means, in respect of a Delivery Date and/or Pricing Date, as applicable, the month of expiration of the Futures Contract identified by that numerical adjective, so that: (i) “First Nearby Month” means the month of expiration of the first Futures Contract to expire following that date; (ii) “Second Nearby Month” means the month of expiration of the second Futures Contract to expire following that date; and, for example, (iii) “Sixth Nearby Month” means the month of expiration of the sixth Futures Contract to expire following that date.
“NYMEX”	means the NYMEX Division, or its successor, of the New York Mercantile Exchange, Inc. or its successor.
“Observation Date(s)”	means each of Coupon Observation Date _(i) , Obligatory Redemption Observation Date _(i) , Final Redemption Barrier Observation Date _(i) and Final Redemption Observation Date _(i) .
“Observation Period(s)”	means each of a Coupon Observation Period _(i) , Obligatory Redemption Observation Period _(i) , Final Redemption Barrier Observation Period _(i) and Final Redemption Observation Period _(i) .
“Oil - Brent”	means Brent crude oil complying with the contract specifications of ICE relating to good delivery and fineness from time to time in effect
“Oil - WTI”	means West Texas Intermediate light sweet crude oil complying with the contract specifications of NYMEX relating to good delivery and fineness from time to time in effect.
“Palladium”	means palladium ingots or plate or unallocated palladium complying with the rules of the LPPM relating to good delivery and fineness from time to time in effect.
“Platinum”	means platinum ingots or plate or unallocated platinum complying with the rules of the LPPM relating to good delivery and fineness from time to time in effect.
“Postponement”	means, with respect to the Commodity, that the relevant Pricing Date will be deemed, for purposes of the application of this Disruption Fallback, to be the first succeeding Commodity Business Day or Bullion Business Day, as applicable, on which the Market Disruption Event ceases to exist, unless that Market Disruption Event continues to exist for two consecutive Commodity Business Days or Bullion Business Days, as applicable (measured from and including the original day that would otherwise have been the Pricing Date). In that case, the next applicable Disruption Fallback specified in the relevant Final Terms will apply. If, as a result of a postponement pursuant to this provision, a Reference Value is unavailable to determine the Final Redemption Amount by the date falling two Business Days

prior to the Scheduled Maturity Date, then the Maturity Date will be postponed by the same number of Commodity Business Days or Bullion Business Days, as the case may be, as was the determination of each Reference Value, provided that the Maturity Date shall not be any earlier than the second Business Day after the date that the Reference Value of the Affected Commodity is determined in accordance with the provisions of this Condition 10.

“Price Materiality Percentage”	means the percentage (if any) specified in the relevant Final Terms.
“Price Source”	means, in respect of a Commodity, the publication (or such other origin of reference, including an Exchange) containing (or reporting) the Reference Value (or prices from which the Reference Value is calculated) specified in the relevant Final Terms.
“Price Source Disruption”	means, in respect of the Commodity: (i) the failure of the relevant Price Source to announce or publish the relevant Reference Value (or the information necessary for determining the Reference Value of such Commodity); (ii) the temporary or permanent discontinuance or unavailability of the Price Source; (iii) if the Reference Value is specified as “Commodity Reference Dealers”, the failure to obtain at least three quotations as requested from the relevant Reference Dealers or (iv) if a Price Materiality Percentage is specified in the relevant Final Terms, the Specified Price for the relevant Commodity Reference Price differs from the Specified Price determined in accordance with the Commodity Reference Price “Commodity Reference Dealers” by such Price Materiality Percentage.
“Pricing Date”	means the Initial Fixing Date and any Observation Date, Valuation Date or any Averaging Date.
“Reference Dealers”	means the four leading dealers in the relevant market selected by the Calculation Agent.
“Reference Value”	means: <ul style="list-style-type: none"> (i) where the Notes are specified in the relevant Final Terms to relate to a single Commodity, an amount equal to the price determined on any day for the specified Commodity Reference Price on the relevant date as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such price can be determined for the specified Commodity Reference Price at such time, the price for the specified Commodity Reference Price shall be the Calculation Agent’s good faith estimate of the price for the specified Commodity Reference Price; and (ii) where the Notes are specified in the relevant Final Terms to relate to a Basket of Commodities, an amount equal to the sum of the prices determined for the specified Commodity Reference Prices as determined by or on behalf of the Calculation Agent or if, in the opinion of the Calculation Agent, no such price can be determined for the specified Commodity Reference Price at such time, the price for the specified Commodity Reference Price shall be the Calculation Agent’s good faith estimate of the price for the specified Commodity Reference Price, multiplied by the relevant Multiplier.
“Relevant Currency”	means the lawful currency of any country in which the Specified Price is expressed.

“Relevant Price”	means, for any Pricing Date, the price, expressed as a price per Unit determined with respect to that day for the specified Commodity Reference Price.
“Scheduled Closing Time”	means, in respect of an Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside the regular trading session hours.
“Scheduled Observation Date”	means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.
“Scheduled Trading Day”	means any day on which each Exchange is scheduled to be open for trading for its respective regular trading sessions.
“Scheduled Valuation Date”	means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.
“Silver”	means silver bars or unallocated silver complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect.
“Specified Commodity”	means the commodity or commodity future specified in the relevant Final Terms.
“Specified Price”	means, in respect of a Commodity Reference Price, any of the following prices (which must be a price reported in or by, or capable of being determined from information reported in or by, the relevant Price Source), as specified in the relevant Final Terms (and, if applicable, as of the time so specified): (A) the high price; (B) the low price; (C) the average of the high price and the low price; (D) the closing price; (E) the opening price; (f) the bid price; (G) the asked price; (H) the average of the bid price and the asked price; (I) the settlement price; (J) the official settlement price; (K) the official price; (L) the morning fixing; (M) the afternoon fixing; (N) the spot price or (O) any other price specified in the relevant Final Terms.
“Strike”	means the price (if any) specified as such in the relevant Final Terms and if applicable any of FR_Strike_1, FR_Strike_2, FR_Strike_3, FR_Strike_4 and Obligatory Redemption Strike(i).
“Sugar - NYBOT”	means deliverable grade cane sugar complying with the contract specifications of NYBOT relating to good delivery and fineness from time to time in effect
“Sugar - LIFFE”	means deliverable grade white sugar complying with the contract specifications of EURONEXT LIFFE relating to good delivery and fineness from time to time in effect
“Tax Disruption”	means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to the relevant Commodity or Futures Contract (other than a tax on, or measured by reference to, overall gross or net income) by any government or taxation authority after the Trade Date, if the direct effect of such imposition, change or removal is to raise or lower the Reference Value on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal.
“Trade Date”	means the date specified as such in the relevant Final Terms.

**“Trading
Disruption”**

means, in respect of the Commodity, the material suspension of, or the material limitation imposed on, trading in the relevant Futures Contract or such Commodity on the relevant Exchange. For these purposes:

- (i) a suspension of the trading in the relevant Futures Contract or the Commodity on any Commodity Business Day or Bullion Business Day, as applicable, shall be deemed to be material only if:
 - (A) all trading in the relevant Futures Contract or the Specified Commodity is suspended for the entire Pricing Date; or
 - (B) all trading in the relevant Futures Contract or the Specified Commodity is suspended subsequent to the opening of trading on the Pricing Date, trading does not recommence prior to the regularly scheduled close of trading in such Futures Contract or such Commodity on such Pricing Date and such suspension is announced less than one hour preceding its commencement; and
- (ii) a limitation of trading in the relevant Futures Contract or the Commodity on any Commodity Business Day or Bullion Business Day, as applicable, shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the relevant Futures Contract or the Commodity may fluctuate and the closing or settlement price of the relevant Futures Contract or the Commodity on such day is at the upper or lower limit of that range.

“Unit”

means the unit of measure of the relevant Commodity as specified for the relevant Commodity Reference Price or otherwise in the relevant Final Terms.

“Valuation Date”

means each date specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the immediately succeeding Scheduled Trading Day unless Disrupted Day is specified as applicable in the relevant Final Terms and, in the opinion of the Calculation Agent, such day is a Disrupted Day. If such day is a Disrupted Day:

- (i) where the Notes are specified in the relevant Final Terms to relate to a single Commodity, the Valuation Date shall be a date determined by the Calculation Agent, in its sole and absolute discretion, in accordance with the first applicable Disruption Fallback specified in the relevant Final Terms (an “**Affected Commodity**”); or
- (ii) where the Notes are specified in the relevant Final Terms to relate to a Basket of Commodities, the Valuation Date for each Commodity not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Commodity affected by the occurrence of a Disrupted Day shall be a date determined by the Calculation Agent, in its sole and absolute discretion, in accordance with the first applicable Disruption Fallback specified in the relevant Final Terms (each an “**Affected Commodity**”).

“Valuation Time”

means the Scheduled Closing Time on the relevant Exchange on the relevant date in relation to each Commodity to be valued or such other time specified in the relevant Final Terms. In each case, if the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for

its regular trading session, then the Valuation Time shall be such actual closing time.

11. Credit Linked Notes

(a) Redemption of Credit Linked Notes

Unless (i) previously redeemed or purchased and cancelled, or (ii) the Conditions to Settlement have been satisfied on or prior to the Observation Cut-off Date and the related Event Determination Date has not been reversed on or prior to the relevant Auction Final Price Determination Date, final Valuation Date, Physical Settlement Date (or, if earlier, Delivery Date), or the Maturity Date as applicable or (iii) Condition 11(j) applies, subject to Condition 11(e), and subject as provided in this Condition 11, each Credit Linked Note will be redeemed by the Issuer on the Maturity Date by payment of the Final Redemption Amount.

If the Conditions to Settlement are satisfied on or prior to the Observation Cut-Off Date, and the related Event Determination Date has not been reversed on or prior to the relevant Auction Final Price Determination Date, final Valuation Date, Physical Settlement Date (or, if earlier, Delivery Date), or the Maturity Date as applicable, subject to Condition 11(e), Condition 11 (i) and Condition 11 (j) then:

- (i) if Cash Settlement is specified as the Settlement Method in the relevant Final Terms (or if Cash Settlement is specified as the Fallback Settlement Method, or no Fallback Settlement Method is specified in the Final Terms, and Condition 11(d) requires that the Issuer redeem the Notes in accordance with Condition 11(b)), the provisions of Condition 11(b) shall apply, or
- (ii) if Physical Settlement is specified as the Settlement Method in the relevant Final Terms (or if Physical Settlement is specified as the Fallback Settlement Method and Condition 11(d) requires that the Issuer redeem the Notes in accordance with Condition 11(c)), the provisions of Condition 11(c) shall apply, or
- (iii) if Auction Settlement is specified as the Settlement Method in the relevant Final Terms, the provisions of Condition 11(d) shall apply.

(b) Cash Settlement

If (1) Cash Settlement is specified as the Settlement Method in the relevant Final Terms (or if Cash Settlement is specified as the Fallback Settlement Method, or no Fallback Settlement Method is specified in the Final Terms, and in each case Condition 11(d) requires that the Issuer redeem the Notes in accordance with this Condition 11(b)) and (2) the Conditions to Settlement are satisfied on or prior to the Observation Cut-Off Date, the Issuer shall give notice (such notice a “**Settlement Notice**”) to the Noteholders in accordance with Condition 20 and, provided that the related Event Determination Date has not been reversed on or prior to the final Valuation Date, subject to Condition 11(e), redeem:

- (i) if the Credit Event is not a Multiple Exercise Restructuring Credit Event, all but not some only of the Notes; or
- (ii) if the Credit Event is a multiple Exercise Restructuring Credit Event, a portion of the nominal amount of each Note equal to the Applicable Percentage determined by reference to the Exercise Amount specified in the Credit Event Notice relating to the relevant Credit Event,

each Credit Linked Note being redeemed by the Issuer by payment in respect of each nominal amount of the Notes equal to the Calculation Amount of the Credit Event Redemption Amount on the Credit Event Redemption Date.

If Conditions to Settlement are satisfied and the Notes become redeemable in accordance with this Condition 11(b), upon payment of the Credit Event Redemption Amounts in respect of the Notes the Issuer shall have discharged its obligations in respect of the Applicable Percentage of the Notes and shall have no other liability or obligation whatsoever in respect of the Applicable Percentage of the Notes. The Credit Event Redemption Amount may be less than the nominal amount of a Note equal to the Calculation Amount. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer.

(c) ***Physical Settlement***

If (1) Physical Settlement is specified as the Settlement Method in the relevant Final Terms (or if Physical Settlement is specified as the Fallback Settlement Method and Condition 11(d) requires that the Issuer redeem the Notes in accordance with this Condition 11(c)) and (2) the Conditions to Settlement are satisfied on or prior to the Observation Cut-Off Date, then the Issuer shall give notice (such notice a “**Notice of Physical Settlement**”) to the Noteholders in accordance with Condition 20 and provided that the related Event Determination Date has not been reversed on or prior to the final Valuation Date, Physical Settlement Date or, if earlier, Delivery Date, as applicable, redeem:

- (i) if the Credit Event is not a Multiple Exercise Restructuring Credit Event, all but not some only of the Notes; or
- (ii) if the Credit Event is a multiple Exercise Restructuring Credit Event, a portion of the nominal amount of each Note equal to the Applicable Percentage determined by reference to the Exercise Amount specified in the Credit Event Notice relating to the relevant Credit Event,

each Credit Linked Note being redeemed by the Issuer by Delivery in respect of each nominal amount of the Notes equal to the Calculation Amount of the Deliverable Obligations comprising the Asset Amount, subject to and in accordance with Conditions 11(m) and Condition 11(n).

In the Notice of Physical Settlement, the Issuer shall specify the Deliverable Obligations comprising the Asset Amount that it reasonably expects to Deliver. For the avoidance of doubt, the Issuer shall be entitled to select any of the Deliverable Obligations to constitute the Asset Amount, irrespective of their market value.

If “Restructuring Maturity Limitation and Fully Transferable Obligation” is specified as applicable in the relevant Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be included in the Asset Amount only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the Restructuring Maturity Limitation Date.

If “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified as applicable in the relevant Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may be included in the Asset Amount only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

Following delivery of a Notice of Physical Settlement, the Issuer may notify the Noteholders (each such notification, a “**NOPS Amendment Notice**”) that the Issuer is replacing, in whole or in part, one or more Deliverable Obligations specified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, to the extent the relevant Deliverable Obligation has not been Delivered as of the date such NOPS Amendment Notice is effective in accordance with Condition 20.

If Conditions to Settlement are satisfied and the Notes become redeemable in accordance with this Condition 11(c), upon Delivery of the Deliverable Obligations comprising the Asset Amount and/or payment of the Cash Settlement Amount, as the case may be, the Issuer shall have discharged its obligations in respect of the Applicable Percentage of the Notes and shall have no other liability or obligation whatsoever in respect of the Applicable Percentage of the Notes. The aggregate value of such Deliverable Obligations and/or the Cash Settlement Amount may be less than the nominal amount of a Note equal to the Calculation Amount. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer.

(d) ***Auction Settlement***

(i) Subject to Condition 11(e) and Condition 11(j), if (1) Auction Settlement is specified as the Settlement Method in the relevant Final Terms, (2) the Conditions to Settlement are satisfied on or prior to the Observation Cut-Off Date, and the related Event Determination Date has not been reversed on or prior to the Auction Final Price Determination Date, and (iii) an Auction Final Price Determination Date occurs with respect to an Applicable Auction, then the Issuer shall give notice (such notice an “**Auction Settlement Notice**”) to the Noteholders as soon as reasonably practicable following the Auction Final Price Determination Date in accordance with Condition 20 and, subject to Conditions 11(e) and 11(t), redeem:

- (A) if the Credit Event is not a Multiple Exercise Restructuring Credit Event, all but not some only of the Notes; or
- (B) if the Credit Event is a multiple Exercise Restructuring Credit Event, a portion of the nominal amount of each Note equal to the Applicable Percentage determined by reference to the Exercise Amount specified in the Credit Event Notice relating to the relevant Credit Event,

each Credit Linked Note being redeemed by the Issuer by payment in respect of each nominal amount of the Notes equal to the Calculation Amount of the Auction Credit Event Redemption Amount on the Auction Credit Event Redemption Date.

(ii) Without prejudice to the foregoing, but without duplication of settlement, if the Calculation Agent determines:

- (A) except where the Issuer exercises the Movement Option, that with respect to a Credit Event no Applicable Auction is being, or will be, held; or
- (B) with respect to a Credit Event and any relevant Applicable Request, Applicable Resolution and/or Applicable Auction, that (I) an Auction Cancellation Date has occurred, (II) a No Auction Announcement Date has occurred (and, in circumstances where such No Auction Announcement Date occurs pursuant to sub-paragraph (ii) of the definition of No Auction Announcement Date, the Issuer has not exercised the Movement Option), (III) ISDA has publicly announced that a relevant Credit Derivatives Determinations Committee has Resolved, following a relevant Credit Event Resolution Request Date, not to determine the matters described in the definition of Credit Event Resolution Request Date, or (IV) an Event Determination Date was determined pursuant to sub-paragraph (i) of the definition of Event Determination Date and no relevant Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Event Determination Date; or
- (C) that the Event Determination Date was determined pursuant to sub-paragraph (ii)(B)(II) of the definition of Event Determination Date and the Issuer elects to apply the Fallback Settlement Method,

the Issuer shall, subject to the occurrence of a Credit Event and satisfaction of the Conditions to Settlement, notwithstanding that Auction Settlement is specified as the applicable Settlement Method in the applicable Final Terms, redeem each Note in accordance with Condition 11(b) if either “Cash Settlement” is specified in the relevant Final Terms as the Fallback Settlement Method or if no Fallback Settlement Method is specified in the Final Terms, or in accordance with Condition 11(c) if “Physical Settlement” is specified in the relevant Final Terms as the Fallback Settlement Method.

- (iii) If “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” or “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified in the relevant Final Terms and the Calculation Agent determines in respect of a Restructuring Credit Event that a No Auction Announcement Date has occurred pursuant to sub-paragraph (ii) of the definition of No Auction Announcement Date, the Issuer may elect in its sole and absolute discretion to exercise the Movement Option. If the Movement Option is exercised by the Issuer, then provided the related Event Determination Date is not reversed on or prior to the relevant Auction Final Price Determination Date, the Notes shall be redeemed on the Auction Credit Event Redemption Date at their Auction Credit Event Redemption Amount, for which purposes the Auction Credit Event Redemption Date and the Auction Credit Event Redemption Amount shall be determined by reference to the relevant Parallel Auction selected by the Issuer on exercising the Movement Option. If the Movement Option is exercised by the Issuer, all references in this Condition 11 to “Applicable Auction”, “Applicable Auction Settlement Terms”, “Auction Cancellation Date”, “Auction Final Price Determination Date” and “Auction Settlement Date” shall be deemed to be references to the “Parallel Auction”, “Parallel Auction Settlement Terms”, “Parallel Auction Cancellation Date”, “Parallel Auction Final Price Determination Date” and “Parallel Auction Settlement Date” and the terms of this Condition 11 shall be construed accordingly. If the Movement Option is not exercised, the Issuer shall redeem each Note in accordance with Condition 11(b) if “Cash Settlement” is specified in the relevant Final Terms as the Fallback Settlement Method or if no Fallback Settlement Method is specified in the Final Terms or in accordance with Condition 11(c) if “Physical Settlement” is specified in the relevant Final Terms as the Fallback Settlement Method.

If the Conditions to Settlement are satisfied and the Notes become redeemable in accordance with this Condition 11(d), upon payment of the Auction Credit Event Redemption Amounts in respect of the Notes the Issuer shall have discharged its obligations in respect of the Applicable Percentage of the Notes and shall have no other liability or obligation whatsoever in respect of the Applicable Percentage of the Notes. The Auction Credit Event Redemption Amount may be less than the nominal amount of the Notes equal to the Calculation Amount. Any shortfall shall be borne by the Noteholders and no liability shall attach to the Issuer.

(e) ***Redemption Suspension***

If, following the determination of an Event Determination Date in accordance with sub-paragraph (i) of the definition of Event Determination Date but prior to the Physical Settlement Date, a Delivery Date or, to the extent applicable, a final Valuation Date, the Calculation Agent determines that a Suspension Event has occurred the timing requirements of Condition 11 relating to Physical Settlement Dates, Delivery Dates, the Physical Settlement Period, Valuation Dates, Credit Event Redemption Date(s), as applicable, or any other provision that pertains to redemption and settlement of the Notes, shall toll and remain suspended until the Suspension Event Cessation Date. During such suspension period, the Issuer is not obliged to take any action in connection with the redemption and settlement of the Notes. The relevant timing requirements and redemption and settlement provisions, as applicable, that have previously tolled or been suspended shall resume on the Business Day following the relevant Suspension Event Cessation Date with the benefit of the full day notwithstanding when the tolling or suspension began in accordance with this Condition 11(e).

Without prejudice to any amounts payable pursuant to Condition 11(i), no additional amounts shall be payable by the Issuer in connection with any such suspension.

(f) ***Accrual of Interest and Interest Payment Postponement***

(i) If Condition 11(b), Condition 11(c) or Condition 11(d) applies in respect of the Notes, subject to Condition 11(j), and

(A) Accrual of Interest upon Credit Event is specified as not applying in the relevant Final Terms, each Note shall cease to bear interest from the Interest Payment Date (or, if none, the Interest Commencement Date) immediately preceding the Event Determination Date, or if the Event Determination Date is an Interest Payment Date (or, as the case may be, the Interest Commencement Date) such Interest Payment Date (or, as the case may be, the Interest Commencement Date); or

(B) Accrual of Interest upon Credit Event is specified as applying in the relevant Final Terms, each Note shall cease to bear interest from the Event Determination Date and the final payment of interest shall be payable on the Credit Event Redemption Date, Auction Credit Event Redemption Date or Physical Settlement Date or Partial Cash Settlement Date, as applicable and no further interest shall be payable in respect of such delay; and

provided further that if

(A) the Notes are redeemed pursuant to Condition 11(g), Condition 11(h) or Condition 11(i); or

(B) Condition 11(j) applies pursuant to an adjustment to, or reversal of, an Event Determination Date,

then interest will accrue as provided in Condition 11(g), Condition 11(h), Condition 11(i) or Condition 11(j), as the case may be.

(ii) If, an Applicable Request in respect of a Credit Event is made on or prior to any Interest Payment Date or the Scheduled Maturity Date in respect of which an Applicable Resolution has not been published, the payment of interest (if any) scheduled to be paid to Noteholders on or about such Interest Payment Date or the Scheduled Maturity Date, will be suspended. If in connection with such Applicable Request either (i) an Applicable DC Credit Event Announcement is made but the Calculation Agent determines that the Event Determination Date relating thereto is a date falling after such Interest Payment Date or the Scheduled Maturity Date, or (ii) an Applicable DC No Credit Event Announcement is made, payment of the suspended interest for such Interest Payment Date or Scheduled Maturity Date, as applicable, will be made two Business Days after the date the Event Determination Date is so determined or the date of Applicable DC No Credit Event Announcement, as applicable. If in connection with such Applicable Request, an Applicable DC Credit Event Announcement is made and the Calculation Agent determines that the Event Determination Date relating thereto is a date falling on or prior to such Interest Payment Date or the Scheduled Maturity Date, no payment of the suspended interest will be made and interest accrual prior to such Event Determination Date will be determined in accordance with sub-paragraph (i) above.

(iii) No additional amount in respect of interest and no adjustment shall be made to the amount of any interest in connection with the delay or postponement of any payment of interest pursuant to sub-paragraph (ii) above. For the avoidance of doubt, no interest shall accrue on any Note after the Scheduled Maturity Date as a result of a suspension of interest pursuant to this Condition 11(f) (unless Condition 4(f) applies and upon due presentation of a Note for

redemption payment of principal is improperly withheld or refused by the Issuer). The Issuer shall endeavour to give notice to the Noteholders in accordance with Condition 20 as soon as reasonably practicable should any payment of interest be suspended and/or postponed pursuant to this Condition 11(f).

(g) ***Repudiation/Moratorium Extension***

Where Repudiation/Moratorium is specified as a Credit Event in the relevant Final Terms, the provisions of this Condition 11(d) shall apply.

Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Maturity Date but the Repudiation/Moratorium Extension Condition has been satisfied in respect of a Potential Repudiation/Moratorium which occurred with respect to an Obligation of a relevant Reference Entity on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) or, if Condition 11(f)(ii) applies, the Postponed Maturity Date (as defined below) and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation Moratorium may or will, in the sole determination of the Calculation Agent, fall after the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)), then the Calculation Agent shall notify the Noteholders (such notice, a “**Repudiation/Moratorium Extension Notice**”) in accordance with Condition 20 that a Potential Repudiation/Moratorium has occurred and:

- (i) where an Event Determination Date does not occur on or prior to the final day of the Notice Delivery Period:
 - (A) provided that there are no other Maturity Date Extension Events outstanding as at the Repudiation/Moratorium Evaluation Date, each Note will be redeemed by the Issuer by payment of the Final Redemption Amount on the fifth Business Day following the Repudiation/Moratorium Evaluation Date; and
 - (B) in the case of interest bearing Notes only, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Period End Date immediately preceding the Scheduled Maturity Date (or, if none, the Interest Commencement Date) to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the fifth Business Day following the Repudiation/Moratorium Evaluation Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (ii) where an Event Determination Date does occur on or prior to the final day of the Notice Delivery Period and Conditions to Settlement are satisfied in the Notice Delivery Period, the provisions of Condition 11(b), Condition 11(c) or Condition 11(d), as applicable, shall apply to the Notes.

(h) ***Grace Period Extension***

If “Grace Period Extension” is specified as applicable in the relevant Final Terms, the provisions of this Condition 11(h) shall apply:

Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) but a Potential Failure to Pay has occurred or may, in the sole determination of the Calculation Agent, have occurred with respect to one or more Obligation(s) in respect of which a Grace Period is applicable on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) (and such Grace Period(s) is/are continuing as at the Scheduled Maturity Date), then:

- (i) where an Event Determination Date in respect of the Failure to Pay does not occur on or prior to the last day of the Notice Delivery Period:
 - (A) provided that there are no other Maturity Date Extension Events outstanding as at the Grace Period Extension Date, each Note will be redeemed by the Issuer by payment of the Final Redemption Amount on the Grace Period Extension Date; and
 - (B) in the case of interest bearing Notes, the Issuer shall be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Period End Date immediately preceding the Scheduled Maturity Date (or, if none, the Interest Commencement Date) to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Grace Period Extension Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (ii) where a Failure to Pay does occur on or prior to the last day of the Notice Delivery Period and Conditions to Settlement are satisfied in the Notice Delivery Period, the provisions of Condition 11(b), Condition 11(c) or Condition 11(d), as applicable, shall apply to the Notes.

(i) ***Maturity Date Extension***

If on the Scheduled Maturity Date the Calculation Agent determines that on or prior to such date:

- (i) a Potential Repudiation/Moratorium may have occurred;
- (ii) a Potential Failure to Pay may have occurred;
- (iii) an Applicable Request has been made on or prior to such date in respect of which an Applicable Resolution has not been published; or
- (iv) without duplication, in the opinion of the Calculation Agent, a Credit Event may have occurred in relation to which the Conditions to Settlement have not been satisfied (such Credit Event, a “**Postponement Credit Event**”); and

in each case, in respect of which an Event Determination Date has not occurred as at the Scheduled Maturity Date (each such event a “**Maturity Date Extension Event**”), the Calculation Agent shall notify the Noteholders in accordance with Condition 20 that the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, has been postponed to a date (such date the “**Postponed Maturity Date**”) specified in such notice falling 15 calendar days after the Scheduled Maturity Date, the Repudiation/Moratorium Evaluation Date or

the Grace Period Extension Date, as the case may be and the Notes will not be redeemed on the Scheduled Maturity Date. In such circumstances, the Notes will be redeemed as follows:

where:

- (A) with respect to a Potential Repudiation/Moratorium, in accordance with Condition 11(g), unless an Event Determination Date occurs on or prior to the last day of the Notice Delivery Period and is not reversed pursuant to Condition 11(j), in which case the Notes shall be redeemed pursuant to Condition 11(b), Condition 11(c) or Condition 11(d), as applicable;
- (B) with respect to a Potential Failure to Pay, in accordance with Condition 11(h), unless an Event Determination Date occurs on or prior to the last day of the Notice Delivery Period and is not reversed pursuant to Condition 11(j), in which case the Notes shall be redeemed pursuant to Condition 11(b), Condition 11(c) or Condition 11(d), as applicable; or
- (C) with respect to an Applicable Request or a Postponement Credit Event, if an Event Determination Date occurs on or prior to the Observation Cut-Off Date and is not reversed pursuant to Condition 11(j), in accordance with Condition 11(b), Condition 11(c) or Condition 11(d), as applicable; or
- (D) with respect to an Applicable Request or a Postponement Credit Event, if an Event Determination Date does not occur on or prior to the Observation Cut-Off Date or an Event Determination Date is reversed pursuant to Condition 11(j), provided that there are no other Maturity Date Extension Events outstanding as at the Observation Cut-Off Date, each Note will be redeemed by the Issuer at its Final Redemption Amount on the second Business Day following the Observation Cut-Off Date (the “**Postponed Maturity Date**”) and in the case of interest bearing Notes only the Issuer shall, without duplication and without prejudice to Condition 11(i), be obliged to pay interest calculated as provided herein, accruing from (and including) the Interest Period End Date immediately preceding the Scheduled Maturity Date (or, if none, the Interest Commencement Date) to (but excluding) the Scheduled Maturity Date but shall only be obliged to make such payment of interest on the Postponed Maturity Date and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay.

A Maturity Date Extension Event will be deemed to be outstanding on any date, if the period specified in (A), (B), (C) or (D) in respect of the relevant Maturity Date Extension Event in which an Event Determination Date may occur has not expired as at such date.

(j) ***Reversals of DC Resolutions and adjustments to Event Determination Dates***

- (i) Notwithstanding anything to the contrary herein, no Event Determination Date will occur, and any Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that the Calculation Agent determines that, prior to the Auction Final Price Determination Date in respect of an Applicable Auction, a Valuation Date, the Physical Settlement Date (or, if earlier, a Delivery Date), or the Maturity Date as applicable, an Applicable DC No Credit Event Announcement occurs with respect to the relevant Reference Entity or Obligation thereof.
- (ii) Notwithstanding anything to the contrary herein, no Succession Event will occur, and any Succession Event previously determined with respect to a Reference Entity shall be deemed not to have occurred, if, or to the extent that ISDA publicly announces that a previous Succession Event Resolution has been reversed by a subsequent DC Resolution of the

relevant Credit Derivatives Determination Committee, unless the prior Succession Event Resolution or any prior determination by the Calculation Agent has resulted in the identification of one or more Successors or the identification of one or more Substitute Reference Obligations.

- (iii) Notwithstanding anything to the contrary in these Conditions, following the determination of an Event Determination Date, if, in accordance with the Condition 11(i)(i):
 - (A) such Event Determination Date is deemed to have occurred on a date that is earlier than the date originally determined to be the Event Determination Date for the purposes of the Notes as a result of the application of the definition of Event Determination Date and/or any Applicable Request or Applicable Resolution then
 - (I) if the Notes are redeemed pursuant to Condition 11(b) or Condition 11(d), an amount equal to the relevant EDD Adjustment Amount (if any) shall be deducted to the fullest extent possible from the Credit Event Redemption Amount or Auction Credit Event Redemption Amount, as applicable; or
 - (II) if the Notes are redeemed pursuant to Condition 11(c), Deliverable Obligations (rounded up to the nearest whole number or denomination or other minimum amount in which the relevant Deliverable Obligations may be Delivered) with an Outstanding Principal Balance or Due and Payable Amount (rounded up to the nearest whole number or denomination or other minimum amount in which the relevant Deliverable Obligations may be Delivered), as applicable, having a market value equal to (or, where rounding upwards applies, greater than) the relevant EDD Adjustment Amount (if any) as of the relevant Delivery Date, as determined by the Calculation Agent in its sole and absolute discretion, shall be deducted to the fullest extent possible from the Asset Amount (or deducted from the Partial Cash Settlement Amount payable pursuant to Condition 11(n), if applicable). If the market value of the Outstanding Principal Balance or Due and Payable Amount or Deliverable Obligations so deducted is, due to rounding, greater than the relevant EDD Adjustment Amount, the Issuer shall pay an amount determined by the Calculation Agent in its sole and absolute discretion to Noteholders as soon as reasonably practicable in respect of the excess portion of such Deliverable Obligations; or
 - (B) If an Applicable DC No Credit Event Announcement occurs following the determination of an Event Determination Date but prior to the related Auction Final Price Determination Date in respect of an Applicable Auction, a Valuation Date, the Physical Settlement Date (or, if earlier, a Delivery Date), or the Observation Cut-off Date, as applicable, then the Event Determination Date originally determined for the purposes of the Notes shall be deemed not to have occurred (an Event Determination Date Reversal). The occurrence of an Event Determination Date Reversal shall not prejudice the occurrence or determination of any subsequent Event Determination Date(s) in relation to the relevant Reference Entity (if applicable). Notwithstanding Condition 4(f) and Condition 11(f), each Note shall recommence to accrue interest (in accordance with Condition 4) from, but excluding, the Interest Period End Date (the “**Interest Recommencement Date**”) immediately following the Applicable DC No Credit Event Announcement, and an amount equal to the Additional EDD Interest Amount shall be payable on such Interest Recommencement Date. For the avoidance of doubt, in no circumstances shall interest accrue on any Note on or after the Scheduled Maturity Date (unless Condition 4(f) applies and upon due presentation of a Note for redemption payment of principal is improperly withheld or refused by the Issuer).

(k) ***Succession Event***

- (i) With respect to any Reference Entity (other than a Sovereign Reference Entity), the Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the legally effective date of the relevant Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set forth in the definition of “Successor” have been met, or which entity qualifies under paragraph (a)(vi) of the definition of “Successor”, as applicable, provided that the Calculation Agent will not make such determination if, at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in the definitions of “Successor”, in sub-paragraph (i) of the definition of “Succession Event Resolution Request Date” and sub-paragraph (ii)(A) of the definition of “Succession Event Resolution Request Date”, are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event for purposes of the certain credit derivative transactions has occurred, and in each case the Calculation Agent determines that such resolution is an Applicable Resolution. In calculating the percentages used to determine whether the relevant thresholds set forth in the definition of “Successor” have been met, or which entity qualifies under sub-paragraph (a)(vi) of such definition, the Calculation Agent shall use, with respect to each applicable Relevant Obligation included in such calculation, the amount of the liability with respect to such Relevant Obligation listed in the Best Available Information and shall notify the Issuer of such calculation. A copy of the notice of any determination of a Successor shall be given to Noteholders in accordance with Condition 20, provided that failure to deliver such notice shall not invalidate the occurrence of the Succession Event.
- (ii) With respect to any Sovereign Reference Entity, the Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the date of the occurrence of the relevant Succession Event), and with effect from the date of the occurrence of the Succession Event, each Sovereign and/or entity, if any, that qualifies under sub-paragraph (b) of the definition of “Successor”; provided that the Calculation Agent will not make such determination if, at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraph (b) of the definition of “Successor” and sub-paragraphs (i) and (ii)(A) of the definition of “Succession Event Resolution Request Date” are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred, and in each case the Calculation Agent determines that such Resolution is an Applicable Resolution. A copy of the notice of any determination of a Successor shall be given to Noteholders in accordance with Condition 20, provided that failure to deliver such notice shall not invalidate the occurrence of the Succession Event.
- (iii) Where a Succession Event has occurred and more than one Successor has been identified in accordance with these Conditions, each such Successor will be deemed to be a Reference Entity for purposes of the Notes and, to the extent applicable, the Calculation Agent shall apportion any outstanding principal amounts or any other relevant calculation amounts equally in relation to each Successor.

If one or more of the Successors to the Reference Entity have not assumed the Reference Obligation (if any) specified in the relevant Final Terms, the Calculation Agent may select a Substitute Reference Obligation in accordance with the definition of “Substitute Reference Obligation”.

- (iv) Where a Credit Event occurs in respect of a Reference Entity after such a Succession Event:
 - (A) the provisions of this Condition 11 shall be deemed to apply to the aggregate nominal amount of the Notes represented by that Reference Entity only (the “**Partial Principal Amount**”) and all the provisions shall be construed accordingly;
 - (B) following satisfaction of the Conditions to Settlement, the Notes shall be deemed to be redeemed pro rata in an amount equal to the Partial Principal Amount only;
 - (C) the Notes in an amount equal to the Aggregate Nominal Amount less the Partial Principal Amount shall remain outstanding (the “**Remaining Amount**”) and interest (if applicable) shall accrue on the Remaining Amount as provided for in the Conditions and the relevant Final Terms (adjusted in such manner as the Calculation Agent determines to be appropriate);
 - (D) the provisions of these Conditions shall apply to any subsequent Credit Event Notices delivered in respect of any of the other Reference Entities that are identified as a result of the Succession Event; and
 - (E) the relevant Final Terms may be amended and restated at such time to reflect the effect of a Succession Event without the consent of the Noteholders and the Noteholders are deemed to agree to this provision by the purchase of the Notes.
- (v) The provisions of these Conditions shall apply to any subsequent Succession Events. For the avoidance of doubt, the provisions of Condition 11(k)(iii) shall apply to each Succession Event, provided that the Calculation Agent may make any adjustments to the Reference Entities and/or Baskets (including any New Baskets) as it determines, in its sole discretion, are necessary to reflect the occurrence of a Succession Event.
- (vi) Where the effect of the foregoing provisions would be to specify a Reference Entity more than once with respect to the Notes, that Reference Entity shall be deemed to be specified only once, provided that the Calculation Agent may make any adjustments to the Reference Entities and/or Baskets (including any New Baskets) as it determines, in its sole discretion, are necessary to reflect the occurrence of a Succession Event.
- (vii) Save as otherwise provided in the relevant Final Terms, where any Reference Entity (the Surviving Reference Entity) (other than a Reference Entity that is subject to a Succession Event) would be a Successor to any other Reference Entity (the Legacy Reference Entity) pursuant to a Succession Event through the application of the foregoing provisions, (I) if Fixed Number of Reference Entities is not specified as applicable in the relevant Final Terms, such Surviving Reference Entity shall be deemed a Successor to the Legacy Reference Entity or (II) if Fixed Number of Reference Entities is specified as applicable in the relevant Final Terms, such Surviving Reference Entity shall be deemed not to be a Successor to the Legacy Reference Entity and the Calculation Agent shall select an additional entity to constitute a Reference Entity in replacement of the Legacy Reference Entity (such entity an “**Additional Reference Entity**”) such that the number of Reference Entities in respect of the Notes, or in respect of each New Basket, prior to the Succession Event is equal to the number of Reference Entities following the Succession Event. Each Additional Reference Entity shall be of the same Transaction Type (as defined in the 2005 Matrix Supplement) with a comparable credit rating as the Surviving Reference Entity, and shall be principally traded in the credit

derivatives market in respect of the same Geographical Region as the relevant Surviving Reference Entity, where “Geographical Region” means such region determined in good faith by the Calculation Agent to give best effect to the current market practice in respect of the Surviving Reference Entity, as determined by the Calculation Agent in its sole and absolute discretion. Any such Additional Reference Entity will be deemed to be a Reference Entity for the purposes of the Notes and all references in these Credit Linked Conditions to a “Reference Entity” or “Reference Entities” shall be construed accordingly.

If one or more Additional Reference Entities are selected, the Calculation Agent may select a Substitute Reference Obligation in respect of each such Additional Reference Entity in accordance with the definition of “Substitute Reference Obligation”.

- (viii) Unless “Merger Event not Applicable” is specified in the relevant Final Terms, in the event that (x) the Issuer becomes a Successor to any Reference Entity as a result of the application of the foregoing provisions, (y) the Issuer and any Reference Entity become Affiliates or (z) the Issuer or a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all its assets to, a Reference Entity or the Issuer (as applicable) (each a Merger Event), then the Issuer may, but shall not be obliged to, on giving not more than 30 nor less than 15 days’ notice to Noteholders (the Merger Event Notice), redeem all but not some of the Notes at the Early Redemption Amount specified in the Merger Event Notice.
- (ix) The relevant Final Terms may be amended and restated at such time to reflect the effect of a Succession Event without the consent of the Noteholders and the Noteholders are deemed to agree to this provision by the purchase of the Notes.

(l) ***Restructuring Credit Event***

- (i) If (A) Restructuring is specified in the relevant Final Terms as being an applicable Credit Event; (B) either “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” or “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified in the relevant Final Terms and (C) a Restructuring Credit Event occurs, then (unless otherwise specified in the relevant Final Terms), the Issuer may deliver multiple Credit Event Notices with respect to such Restructuring, each such Credit Event Notice setting forth the amount of the Aggregate Nominal Amount of the Notes to which the Credit Event Notice relates (the Exercise Amount). If the relevant Credit Event Notice does not specify an Exercise Amount, then the Aggregate Nominal Amount of the Notes outstanding immediately prior to the delivery of such Credit Event Notice. Accordingly, notwithstanding anything to the contrary in these Conditions, where a Restructuring has occurred and the Issuer has delivered a Credit Event Notice for an Exercise Amount that is less than the Aggregate Nominal Amount of the Notes outstanding or the Reference Entity Nominal Amount outstanding in respect of the relevant Reference Entity, in each case as at the date immediately prior to the delivery of such Credit Event Notice, as applicable, the provisions of these Conditions shall be deemed to apply to a nominal amount of the Notes equal to the Exercise Amount only and all the provisions shall be construed accordingly. Each such Note shall be redeemed in part (such redeemed part being equal to the relevant proportion of the Exercise Amount).
- (ii) The Exercise Amount in connection with a Credit Event Notice describing a Restructuring Credit Event must be an amount that is at least 1,000,000 units of the currency (or, if Japanese Yen, 100,000,000 units) in which the Notes are denominated or any integral multiple thereof or the entire outstanding nominal amount of the Notes or the Reference Entity Nominal Amount outstanding in respect of the relevant Reference Entity, as applicable, at such time.

- (iii) The Notes shall be deemed to be redeemed pro rata in an amount equal to the Exercise Amount only. The Notes in an amount equal to the Aggregate Nominal Amount less the Exercise Amount, shall remain outstanding (the “**Outstanding Amount**”) and interest (if applicable) shall accrue on the Outstanding Amount as provided for in these Conditions and the relevant Final Terms (adjusted in such manner as the Calculation Agent determines to be appropriate) provided that the Calculation Agent may make any adjustments as it determines, in its sole discretion, are necessary to reflect the occurrence of a Succession Event.
- (iv) In respect of any subsequent Credit Event Notices delivered the Exercise Amount in connection with a Credit Event Notice describing a Credit Event other than a Multiple Exercise Restructuring Credit Event must be equal to the outstanding nominal amount of the Notes or the Reference Entity Nominal Amount outstanding in respect of the relevant Reference Entity, as applicable, at such time (and not a portion thereof); and
- (v) If “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” is specified in the relevant Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may only be included in an Asset Amount (including any amendment in a NOPS Amendment Notice), if such Deliverable Obligation (A) is a Fully Transferable Obligation and (B) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date.
- (vi) If “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified in the relevant Final Terms and Restructuring is the only Credit Event specified in a Credit Event Notice, then a Deliverable Obligation may only be included in an Asset Amount (including any amendment in a NOPS Amendment Notice), if it (A) is a Conditionally Transferable Obligation and (B) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.
- (vii) If the provisions of this Condition 11(l) apply in respect of the Notes, on redemption of part of each such Note, the relevant Note or, if the Notes are represented by a Global Note, such Global Note shall be endorsed to reflect such partial redemption.
- (viii) For the avoidance of doubt, if Restructuring is specified in the relevant Final Terms as being an applicable Credit Event and neither “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” nor “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified in the relevant Final Terms, the Issuer may not deliver multiple Credit Event Notices with respect to a Restructuring Credit Event. If a Restructuring Credit Event occurs, the Issuer may only deliver a single Credit Event Notice in respect of such Reference Entity and, subject to satisfaction of the Conditions to Settlement and the other provisions of these Credit Linked Conditions, each Note shall be redeemed in full pursuant to and in accordance with Condition 11(a) provided that the Calculation Agent may make any adjustments as it determines, in its sole discretion, are necessary to reflect the occurrence of a Succession Event.
- (ix) If “Multiple Holder Obligation” is specified as applicable in the relevant Final Terms, notwithstanding anything to the contrary in the definition of Restructuring and this Condition 11, the occurrence of, agreement to, or announcement of, any of the events described in sub-paragraphs (i) to (v) of the definition of “Restructuring” shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

(m) ***Physical Delivery***

- (i) If any Credit Linked Note is to be redeemed by Delivery of the Deliverable Obligations comprising the Asset Amount, subject to Condition 11(e) and Condition 11(j), in order to obtain Delivery of the Deliverable Obligations comprising the Asset Amount(s) in respect of any Note:
- (A) if such Note is represented by a Global Note, the relevant Noteholder must deliver to Euroclear or Clearstream, as applicable, with a copy to the Issuer, not later than the close of business in each place of receipt on the Cut-off Date, a duly completed Asset Transfer Notice (as defined below); and
 - (B) if such Note is a Definitive Note, the relevant Noteholder must deliver to any Paying Agent, with a copy to the Issuer, not later than the close of business in each place of receipt on the Cut-off Date, a duly completed Asset Transfer Notice (as defined below).

Forms of the Asset Transfer Notice may be obtained during normal business hours from the specified office of any Paying Agent.

An Asset Transfer Notice may only be delivered (i) if such Note is represented by a Global Note, in such manner as is acceptable to Euroclear or Clearstream, as the case may be, or (ii) if such Note is a Definitive Note, in writing or by tested telex.

An Asset Transfer Notice must:

- I. specify the name and address of the relevant Noteholder, the person from whom the Issuer may obtain details for the Delivery of the Deliverable Obligations comprising the Asset Amount and any details required for Delivery of the Deliverable Obligations comprising the Asset Amount set out in the relevant Final Terms;
- II. in the case of Notes represented by a Global Note, specify the nominal amount of Notes which are the subject of such notice and the number of the Noteholder's account at Euroclear or Clearstream, as the case may be, to be debited with such Notes and irrevocably instruct and authorise Euroclear or Clearstream, as the case may be, to debit the relevant Noteholder's account with such Notes on or before the Delivery Date;
- III. include an undertaking to pay all Delivery Expenses and, in the case of Notes represented by a Global Note, an authority to debit a specified account of the Noteholder at Euroclear or Clearstream, as the case may be, in respect thereof and to pay such Delivery Expenses;
- IV. specify an account to which any dividends (if any) payable pursuant to this Condition 11(g) or any other cash amounts specified in the relevant Final Terms as being payable are to be paid; and
- V. authorise the production of such notice in any applicable administrative or legal proceedings.

No Asset Transfer Notice may be withdrawn after receipt thereof by Euroclear or Clearstream or a Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Noteholder may not transfer the Notes which are the subject of such notice.

In the case of Notes represented by a Global Note, upon receipt of such notice, Euroclear or Clearstream, as the case may be, shall verify that the person specified therein as the Noteholder is the holder of the specified nominal amount of Notes according to its books.

Failure properly to complete and deliver an Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such Asset Transfer Notice has been properly completed and delivered as provided in these Terms and Conditions shall be made, in the case of Notes represented by a Global Note, by Euroclear or Clearstream, as the case may be, after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant Noteholder and, in the case of Definitive Notes, by the relevant Paying Agent, after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Noteholder.

Delivery of the Deliverable Obligations comprising the Asset Amount in respect of each Note shall be made at the risk of the relevant Noteholder in such commercially reasonable manner as the Calculation Agent shall in its sole discretion determine and notify to the person designated by the Noteholder in the relevant Asset Transfer Notice or in such manner as is specified in the relevant Final Terms.

If a Noteholder fails to give an Asset Transfer Notice as provided herein on or prior to the Cut-off Date specified in the relevant Final Terms, the Issuer will, subject as provided above, Deliver the Deliverable Obligations comprising the Asset Amount in respect of the relevant Notes as soon as practicable after the receipt of the duly completed Asset Transfer Notice, provided that if, in respect of a Note, a Noteholder fails to give an Asset Transfer Notice prior to the day falling 180 calendar days after the Cut-off Date, the Issuer's obligations in respect of such Notes shall be discharged and the Issuer shall have no liability in respect thereof.

For the avoidance of doubt, the Issuer shall be entitled to select any of the Deliverable Obligations to constitute the Asset Amount, irrespective of their market value and may substitute any Deliverable Obligations specified in the Notice of Physical Settlement on or prior to the Physical Settlement Date by delivery of a NOPS Amendment Notice.

- (ii) All Delivery Expenses arising from the Delivery of the Deliverable Obligations comprising the Asset Amounts in respect of such Notes shall be for the account of the relevant Noteholder and no Delivery of the Deliverable Obligations comprising the Asset Amount shall be made until all Delivery Expenses have been paid to the satisfaction of the Issuer by the relevant Noteholder.

After Delivery of the Deliverable Obligations comprising an Asset Amount and for the Intervening Period, none of the Issuer, the Calculation Agent or any other person shall at any time (A) be under any obligation to deliver or procure delivery to any Noteholder any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of the securities or obligations included in such Asset Amount, (B) be under any obligation to exercise or procure exercise of any or all rights attaching to such securities or obligations included in such Asset Amount or (C) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of such securities or obligations included in such Asset Amount.

- (iii) In relation to each Deliverable Obligation constituting any Asset Amount, the Issuer will Deliver or procure the Delivery of the relevant Deliverable Obligation as provided below on the Physical Settlement Date provided that if all or some of the Deliverable Obligations included in such Asset Amount in respect of a Note are Undeliverable Obligations and/or Hedge Disruption Obligations, then the Issuer shall continue to attempt to Deliver or, if

applicable, shall attempt to Deliver where possible, all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, on or before the Final Delivery Date, provided further that if all or a portion of such Undeliverable Obligations or Hedge Disruption Obligations, as the case may be, are not Delivered by the Final Delivery Date, the provisions of Condition 11(n) shall apply.

(n) ***Partial Cash Settlement***

If all or a portion of the Undeliverable Obligations or Hedge Disruption Obligations comprising the Asset Amount in respect of a Note are not Delivered by the Final Delivery Date, the Issuer shall give notice (a “**Partial Cash Settlement Notice**”) to the Noteholders in accordance with Condition 20 and the Issuer shall pay in respect of each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, the Partial Cash Settlement Amount on the Partial Cash Settlement Date.

In the Partial Cash Settlement Notice, the Issuer must give brief details of why it is unable to deliver the relevant Undeliverable Obligations or Hedge Disruption Obligation, as the case may be.

Unless otherwise specified in the relevant Final Terms, for the purposes of this Condition 11(n), the following terms shall be defined as follows:

“**Full Quotation**” means, in accordance with the Quotation Method, each firm quotation obtained from a Quotation Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, with an Outstanding Principal Balance equal to the Quotation Amount.

“**Indicative Quotation**” means, in accordance with the Quotation Method, each quotation obtained from a Quotation Dealer at the Valuation Time for (to the extent reasonably practicable) an amount of the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, equal to the Quotation Amount, which reflects such Quotation Dealer’s reasonable assessment of the price of such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, based on such factors as such Quotation Dealer may consider relevant, which may include historical prices and recovery rates.

“**Market Value**” means, with respect to an Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, on a Valuation Date, (i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (iv) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (v) if Indicative Quotations are specified as applicable in the relevant Final Terms and exactly three Indicative Quotations are obtained, the Indicative Quotation remaining after disregarding the highest and lowest Indicative Quotations (and, if more than one such Indicative Quotations has the same highest or lowest value, then one of such highest or lowest Indicative Quotations shall be disregarded); (vi) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) then, subject to paragraph (ii) of the definition of “Quotation” below, an amount as determined by the Calculation Agent on the next Business Day on which at least two Full Quotations or a Weighted Average Quotation or, if applicable, three Indicative Quotations are obtained; and (vii) if fewer than two Full Quotations are obtained, no Weighted Average Quotation is obtained (and, if Indicative Quotations are applicable, fewer than three Indicative Quotations are obtained) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Market Value

shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.

“Partial Cash Settlement Amount” is deemed to be, for each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, an amount calculated by the Calculation Agent equal to the greater of (i) (A) the Outstanding Principal Balance, the Due and Payable Amount or the Currency Amount, as applicable, of each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, multiplied by (B) the Final Price with respect to such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, less, if applicable, (C) Unwind Costs, if any (but excluding any Unwind Costs already taken into account in calculating the relevant Asset Amount), and (ii) zero.

“Partial Cash Settlement Date” is deemed to be the date falling three Business Days after the calculation of the Final Price.

“Quotation” means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are specified as applicable in the relevant Final Terms, each Indicative Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

- (i) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If two or more such Full Quotations or a Weighted Average Quotation are not available on any such Business Day and Indicative Quotations are specified as applicable in the relevant Final Terms, the Calculation Agent shall attempt to obtain three Indicative Quotations from five or more Quotation Dealers.
- (ii) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation (or, if Indicative Quotations are specified as applicable in the relevant Final Terms, three Indicative Quotations) on the same Business Day on or prior to the tenth Business Day following the Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations (or, if applicable, Indicative Quotations) were not obtained on such day.
- (iii) The Calculation Agent shall determine, based on the then current market practice in the market of the relevant Undeliverable Obligation or Hedge Disruption Obligations, as the case may be, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.

- (iv) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for purposes of determining the Final Price.

“Quotation Amount” is deemed to be, with respect to each type or issue of Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, an amount equal to the Outstanding Principal Balance or Due and Payable Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained), as applicable, of such Undeliverable Obligation or Hedge Disruption Obligation, as the case may be.

“Quotation Method” is deemed to be Bid.

“Reference Obligation” and **“Valuation Obligation”** is deemed to be each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be.

“Valuation Date” means, unless specified otherwise in the Final Terms, the date following three Business Days after the Final Delivery Date.

“Valuation Method”, unless specified otherwise in the Final Terms, is deemed to be Highest unless fewer than two Full Quotations are obtained or a Weighted Average Quotation applies (or, if applicable, Indicative Quotations), in which case **“Valuation Method”** is deemed to be Market.

“Valuation Time” is the time specified as such in the relevant Final Terms, or, if no time is so specified, 11.00 a.m. in the principal trading market for the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be.

“Weighted Average Quotation” means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount that in aggregate are approximately equal to the Quotation Amount.

(o) ***Transaction Type Standard Terms***

In respect of a series of Notes whose Final Terms specified that **“Physical Settlement Matrix Standard Terms”** apply and specify one or more **“Transaction Types”** that are included in the Physical Settlement Matrix, the terms of this Condition 11 which are set out in the Physical Settlement Matrix with respect to such **“Transaction Type”** shall be deemed to apply to that Series of Notes, provided that the Final Terms do not specify any inconsistent terms, in which case the provisions of the Final Terms shall prevail.

(p) ***Definitions applicable to Credit Linked Notes***

“2005 Matrix Supplement” means the 2005 Matrix Supplement to the 2003 ISDA Credit Derivatives definitions as published by ISDA on March 7, 2005 in effect on the Issue Date.

“Accreted Amount” means, with respect to an Accreting Obligation, an amount equal to (i) the sum of (A) the original issue price of such obligation and (B) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (ii) any cash payments made by the obligor thereunder that, under the terms of such

obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in (i)(B) above), in each case calculated as of the earlier of (I) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (II) the Delivery Date or applicable Valuation Date, as the case may be. Such Accreted Amount shall include any accrued and unpaid periodic cash interest payments (as determined by the Calculation Agent in its sole and absolute discretion) only if “Include Accrued Interest” is specified as applicable in the relevant Final Terms. If an Accreting Obligation is expressed to accrete pursuant to a straight-line method or if such Obligation’s yield to maturity is not specified in, nor implied from, the terms of such Obligation, then, for the purposes of (i)(B) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such obligation and the amount payable at the scheduled maturity of such obligation, and shall be determined as of the earlier of (I) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (II) the Delivery Date or applicable Valuation Date, as the case may be. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

“Accreting Obligation”

means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (i) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index, or (ii) periodic cash interest is also payable.

“Additional Amount Period”

means the period from and including the Scheduled Maturity Date to but excluding (i) the Repudiation/Moratorium Evaluation Date (where Condition 11(f)(i)(B) applies), (ii) the Grace Period Extension Date (where Condition 11(g)(i)(B) applies) or (iii) the Postponed Maturity Date (where Condition 11(h)(IV) applies).

“Additional Deliverable Obligation”

means each obligation of a Reference Entity specified as such in the relevant Final Terms for the purposes of the definition of “Deliverable Obligation”.

“Additional EDD Interest Amount”

means an amount in the Specified Currency determined by the Calculation Agent in respect of each Calculation Amount per Note equal to the sum of:

- (i) each Interest Amount that would have been payable per Calculation Amount, but for the operation of Condition 3(d) and Condition 11(f) and the original determination of the Event Determination Date, on each Interest Payment Date falling after the date originally determined to be the Event Determination Date, to and including the Interest Recommencement Date; and
- (ii) interest on each such Interest Amount determined by the Calculation Agent using:

- (I) a rate (expressed as a percentage) calculated by the Calculation Agent in its sole and absolute discretion equal to the average of the Overnight Rates for each day in the period from and including the Interest Payment Date on which the relevant Interest Amount would have been paid but for the operation of Condition 3(d) and the original determination of the Event Determination Date to but excluding the Interest Recommencement Date; and
- (II) the number of days in the period from and including the Interest Payment Date on which the relevant Interest Amount would have been paid but for the operation of Condition 3(d) and the original determination of the Event Determination Date to but excluding the Interest Recommencement Date divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of such period is the 31st day of a month but the first day of such period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (ii) the last day of such period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).

“Additional Interest Amount”

means an amount in the Specified Currency equal to the product of:

- (i) the Calculation Amount;
- (ii) the Average Overnight Rate in respect of the Additional Amount Period; and
- (iii) the number of days in the Additional Amount Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Additional Amount Period is the 31st day of a month but the first day of the Additional Amount Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (ii) the last day of the Additional Amount Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).

“Additional Obligation”

means each obligation of a Reference Entity specified as such in the relevant Final Terms for the purposes of the definition of “Obligation”.

“Additional Reference Entity”

has the meaning given in Condition 11(k)(ix).

“Affiliate”

means, in relation to any entity (the First Entity), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes control means ownership of a majority of the voting power of an entity.

“Aggregate Nominal Amount”

means on the Issue Date the aggregate nominal amount of the Notes of such Series specified in the relevant Final Terms and on any date thereafter the aggregate nominal amount of the Notes of such Series outstanding on such date (taking into account the aggregate nominal amount of the Notes of such Series on the Issue Date and any amortisations, partial redemptions or further issues of the Notes of such Series on or prior to such date).

“Applicable Auction”

means an Auction which the Calculation Agent determines is relevant to a Credit Event with respect to a Reference Entity and Obligations thereof and which relates to deliverable obligations which would constitute Reference Obligation(s) or Deliverable Obligation(s), as applicable, under the Notes (for which purpose the Calculation Agent may take into account (i) the credit derivatives transaction(s), credit event, reference entity, obligations and deliverable obligations to which the Auction relates and if the Auction relates to a Restructuring Credit Event, the Scheduled Maturity Date of the Notes and the scheduled termination date of the credit derivatives transactions covered by the Auction and the maturity date of the deliverable obligations to which the Auction relates, and (ii) any hedging transaction that the Issuer has or may enter into in connection with the Notes). In respect of a Restructuring Credit Event, if the Issuer exercises the Movement Option, the Parallel Auction selected by the Issuer on exercise of the Movement Option shall be the Applicable Auction.

“Applicable Credit Derivatives Auction Settlement Terms”

means with respect to a Reference Entity, a Credit Event and an Applicable Auction, the Credit Derivatives Auction Settlement Terms (if any) which the Calculation Agent determines are relevant to the Notes (for which purpose the Calculation Agent may take into account (i) the credit derivatives transaction(s), credit event, reference entity and obligation(s) and deliverable obligations which are the subject of the relevant Credit Derivatives Auction Settlement Terms and the Credit Events, Reference Entities and Obligations and Deliverable Obligations under the Notes and (ii) any hedging transaction that the Issuer has or may enter into in connection with the Notes).

“Applicable DC Credit Event Announcement”

means a DC Credit Event Announcement which the Calculation Agent determines is relevant to the Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, reference entity and obligation(s) thereof to which such DC Credit Event Announcement relates and the terms of the Notes and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Notes). An Applicable DC Credit Event Announcement will be deemed not to have occurred with respect to the Notes unless (i) the relevant Credit Event Resolution Request Date relating to the DC Credit Event Announcement was, in the determination of the Calculation Agent, an Applicable Request which occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date) and (ii) the Trade Date occurs on or prior to the Auction Final Price Determination Date, the Auction Cancellation Date or the date that is 21 calendar days following the No Auction Announcement Date, if any, as applicable.

“Applicable DC No Credit Event Announcement”

means a DC No Credit Event Announcement which the Calculation Agent determines is relevant to the Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, reference entity and obligation(s) thereof which are the subject of the DC No

Credit Event Announcement and the Credit Events, Reference Entities and Obligations thereof under the Notes and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Notes).

“Applicable Percentage”

means in respect of a redemption of a Note and a Credit Event:

- (i) if the Credit Event is not a Multiple Exercise Restructuring Credit Event, 100 per cent.; or
- (ii) if the Credit Event is a Multiple Exercise Restructuring Credit Event, an amount (expressed as a percentage) equal to the Exercise Amount specified in the relevant Credit Event Notice relating to the relevant Reference Entity and Credit Event divided by the Aggregate Nominal Amount of the Notes outstanding as at the related Event Determination Date.

“Applicable Request”

means a request that a Credit Derivatives Determinations Committee be convened to Resolve the matters described in the definition of Credit Event Resolution Request Date, which the Calculation Agent determines is relevant to the Notes (for which purpose the Calculation Agent may take into account (i) the credit derivatives transaction(s), credit event, succession event, reference entity and obligation(s) thereof which are the subject of the request and the Credit Events, Reference Entities and Obligations thereof under the Notes and (ii) any hedging transaction that the Issuer has or may enter into in connection with the Notes).

“Applicable Resolution”

means a DC Resolution of a Credit Derivatives Determinations Committee which the Calculation Agent determines is relevant to the Notes (for which purpose the Calculation Agent may take into account (i) the credit derivatives transaction(s), credit event, succession event, reference entity and obligation(s) thereof and any other factor to which the DC Resolution relates and the terms of the Notes and (ii) any hedging transaction that the Issuer has or may enter into in connection with the Notes).

“Asset Amount”

means, in respect of each nominal amount of the Notes equal to the Calculation Amount, Deliverable Obligations selected by the Calculation Agent in its sole and absolute discretion with:

- (i) if the Deliverable Obligations are Borrowed Money, an Outstanding Principal Balance (including accrued but unpaid interest (as determined by the Calculation Agent) if **“Include Accrued Interest”** is specified as applicable in the relevant Final Terms, but excluding accrued but unpaid interest if **“Exclude Accrued Interest”** is specified as applicable in the relevant Final Terms, and if neither **“Include Accrued Interest”** nor **“Exclude Accrued Interest”** is specified as applicable in the relevant Final Terms, excluding accrued but unpaid interest) (or the equivalent Currency Amount of any such amount); or
- (ii) if the Deliverable Obligations are not Borrowed Money, a Due and Payable Amount (or the equivalent Currency Amount of any such amount),

in each case, as of the relevant Delivery Dates which in aggregate are equal to:

- (i) if the Credit Event is not a Multiple Exercise Restructuring Credit Event and the Notes, the Calculation Amount; or
- (ii) if the Credit Event is a Multiple Exercise Restructuring Credit Event, the applicable Relevant Proportion multiplied by the Exercise Amount in respect of the relevant Reference Entity and Credit Event,

unless (a) Issuer elects to Deliver Deliverable Obligations with an Outstanding Principal Balance (including or excluding interest, as applicable) or a Due and Payable Amount, as applicable (or the equivalent currency amount), in an aggregate amount as of the relevant Delivery Dates that is greater than such amount, in which case such Deliverable Obligations shall comprise the Asset Amount and, for the avoidance of doubt, Noteholders shall not be required to pay any additional amount to the Issuer; or (b) the Issuer elects to Deliver Deliverable Obligations with an Outstanding Principal Balance (including or excluding interest, as applicable) or a Due and Payable Amount, as applicable (or the equivalent currency amount), in an aggregate amount as of the relevant Delivery Dates that is less than such amount, in which case such Deliverable Obligations shall comprise the Asset Amount and the Issuer shall pay to Noteholders no later than the Business Day following the Final Delivery Date an amount determined by the Calculation Agent equal to the portion of the Calculation Amount redeemed in respect of which Deliverable Obligations were not Delivered, less:

- (i) if Unwind Costs are specified as applicable in the relevant Final Terms, Deliverable Obligations with a Market Value determined by the Calculation Agent in its sole and absolute discretion on the Business Day selected by the Calculation Agent falling during the period from and including the Credit Event Determination Date to and including the Delivery Date equal to Unwind Costs; and
- (ii) if Condition 11(j)(iii)(A) applies, Deliverable Obligations with an Outstanding Principal Balance or Due and Payable Amount (rounded up to the nearest whole number or denomination or other minimum amount in which the relevant Deliverable Obligations may be Delivered), as applicable, having a market value (as determined by the Calculation Agent in its sole and absolute discretion) equal to (or where rounding upwards applies, greater than) the EDD Adjustment Amount.

If an obligation by its terms represents or contemplates an obligation to pay an amount greater than the Outstanding Principal Balance of such obligation as of the Delivery Date as a result of the occurrence or non-occurrence of an event or circumstance, the Outstanding Principal Balance of such obligation shall not include any additional amount that would be payable upon the occurrence or non-occurrence of such event or circumstance.

“Asset Transfer Notice”

means a duly completed asset transfer notice substantially in the form set out in the Agency Agreement.

“Auction”

means, with respect to a Reference Entity and a Credit Event, unless otherwise specified in the Applicable Credit Derivatives Auction Settlement Terms an auction pursuant to which an Auction Final Price is to be

determined in accordance with an auction procedure set out in the relevant Credit Derivatives Auction Settlement Terms.

“Auction Cancellation Date”

means, with respect to an Auction, unless otherwise specified in the Applicable Credit Derivatives Auction Settlement Terms, the date on which such Auction was deemed to have been cancelled as announced by ISDA (and/or the administrators specified in the relevant Credit Derivatives Auction Settlement Terms) on its website or such other date as determined and announced in accordance with the relevant Credit Derivatives Auction Settlement Terms.

“Auction Credit Event Redemption Amount”

means, in respect of each nominal amount of the Notes equal to the Calculation Amount, the amount specified as such in the relevant Final Terms or if no such amount is specified in the relevant Final Terms, an amount calculated by the Calculation Agent equal to:

$$[A \times B \times C] - D - E$$

where:

A is the Calculation Amount;

B is the Applicable Percentage;

C is the Auction Final Price in respect of the relevant Applicable Auction;

D is Unwind Costs; and

E is the EDD Adjustment Amount (if applicable),

provided that in no event shall the Auction Credit Event Redemption Amount be less than zero.

“Auction Credit Event Redemption Date”

means, the fifth Business Day following the later of the Auction Settlement Date, determined in accordance with the Applicable Credit Derivatives Auction Settlement Terms, and the date on which the Auction Settlement Notice is sent, or such other date specified in the relevant Final Terms, each as determined by the Calculation Agent.

“Auction Final Price”

means, with respect to an Applicable Auction, unless otherwise specified in the relevant Applicable Credit Derivatives Auction Settlement Terms, the price (expressed as a percentage) in respect of the deliverable obligations which would constitute Reference Obligation(s) and/or Deliverable Obligation(s) under the Notes determined to be the Auction Final Price in accordance with the Applicable Credit Derivatives Auction Settlement Terms.

“Auction Final Price Determination Date”

means with respect to an Applicable Auction, the day, if any, on which the Auction Final Price is determined or such other date as specified in the relevant Applicable Credit Derivatives Auction Settlement Terms.

“Auction Settlement Date”

means the date that is the number of Business Days specified in the relevant Applicable Credit Derivatives Auction Settlement Terms (or, if a number of Business Days is not so specified, five Business Days) immediately following

the relevant Auction Final Price Determination Date.

“Auction Settlement Notice”

means a notice delivered by the Issuer to the Noteholders in accordance with Condition 20 following the occurrence of an Auction Final Price Determination Date notifying Noteholders of the redemption of the Notes in accordance with Condition 11(d) and specifying, in respect of a Restructuring Credit Event where the Movement Option applied, whether the Issuer exercised the Movement Option and, if so, the Parallel Auction selected as a result the exercise of the Movement Option and the Auction Final Price for such Parallel Auction.

“Average Overnight Rate”

means, in respect of the Additional Amount Period, a rate (expressed as a percentage) calculated by the Calculation Agent in its sole and absolute discretion equal to the average of the Overnight Rates for each day in the period from and including the first day of such Additional Amount Period to but excluding the second Business Day immediately preceding the day on which such Additional Amount Period ends but which is excluded from the Additional Amount Period.

“Bankruptcy”

means a Reference Entity:

- (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due;
- (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof;
- (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (vi) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets;
- (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each

case within 30 calendar days thereafter; or

- (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has any analogous effect to any of the events specified in clauses (i) to (vii) (inclusive).

“Basket”

means a basket composed of the Reference Entities as specified in the relevant Final Terms and such term shall include each New Basket resulting from the occurrence of a Succession Event and the identification of more than one Successor.

“Best Available Information”

means:

- (i) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent makes its determination for the purposes of the definition of “Successor”, other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
- (ii) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, or which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (i) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination for the purposes of the definition of “Successor”.

Information which is made available more than 14 calendar days after the legally effective date of the Succession Event shall not constitute “Best Available Information”.

“Calculation Agent City Business Day”

means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the Calculation Agent City specified in the relevant Final Terms.

“Calculation Amount”

means the amount specified as such in the relevant Final Terms.

“Cash Settlement Notice”

had the meaning given in Condition 11(b).

“Conditionally Transferable Obligation”

means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the

consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition of “Conditionally Transferable Obligation”.

For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of “Conditionally Transferable Obligation”, such determination shall be made as of the Delivery Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer.

“Conditions to Settlement”	means the occurrence of an Event Determination Date to the extent that such Event Determination Date is not subsequently reversed prior to the Auction Final Price Determination Date in respect of an Applicable Auction, or, if the Issuer exercises the Movement Option, the Parallel Auction Final Price Determination Date in respect of the relevant Parallel Auction, a final Valuation Date, the Physical Settlement Date (or, if earlier, a Delivery Date), or the Maturity Date, as applicable (each a Reversal Cut-off Date). For the avoidance of doubt, if an Event Determination Date is subsequently reversed prior to the relevant Auction Final Price Determination Date, Parallel Auction Final Price Determination Date, final Valuation Date, the Physical Settlement Date (or, if earlier, a Delivery Date), or the Maturity Date, the Conditions to Settlement shall not be deemed to have been satisfied with respect to the related Credit Event and Reference Entity.
“Convertible Obligation”	means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).
“Credit Derivatives Auction Settlement Terms”	means, with respect to a Reference Entity and a Credit Event, any Credit Derivatives Auction Settlement Terms published by ISDA in accordance with the Rules with respect to such Reference Entity and Credit Event, a form of which is published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended in accordance with the Rules from time to time.
“Credit Derivatives Determinations Committees”	means the committees established by ISDA for purposes of reaching certain DC Resolutions in connection with credit derivative transactions.
“Credit Event”	means the occurrence of any one or more of the Credit Events specified in the relevant Final Terms which may include Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring, or any additional Credit Event specified in the relevant Final Terms, as determined by the Calculation Agent.

If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

- (i) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (ii) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (iii) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
- (iv) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

“Credit Event Backstop Date”

means,

- (i) if Credit Event Backstop Date is specified as “Applicable” in the relevant Final Terms, the date determined by the Calculation Agent:
 - (a) for the purposes of any event that constitutes a Credit Event (or with respect to Repudiation/Moratorium, the event described in sub-paragraph (ii) of the definition thereof), as determined by a DC Resolution that is an Applicable Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date, provided that the Calculation Agent determines that the DC Resolution is an Applicable Resolution and the Credit Event Resolution Request Date relates to an Applicable Request; or
 - (b) otherwise, that is 60 calendar days prior to the earlier of:
 - (I) the first date on which both the Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement in the relevant Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective during the Notice Delivery Period; and
 - (II) in circumstances where (A) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (i) and (ii) of the definition of Credit Event Resolution Request Date are

satisfied in accordance with the Rules in relation to an Applicable Request, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, provided that such Resolution is an Applicable Resolution and (C) the Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement in the relevant Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective not more than fourteen calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Credit Event Resolution Request Date; or

- (ii) if Credit Event Backstop Date is specified as “Not Applicable” in the relevant Final Terms, the Credit Event Backstop Date shall be deemed to be the Business Day following the Trade Date.

The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

“Credit Event Notice”

means an irrevocable notice from the Calculation Agent (which may be in writing (including by facsimile and/or e-mail) and/or by telephone) to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Credit Event that occurred on or after the applicable Credit Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time) and on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)). A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective. A Credit Event Notice shall be subject to the requirements regarding notices set out in Condition 11(s).

“Credit Event Redemption Amount”

means, in respect of a nominal amount of the Notes equal to the Calculation Amount, the amount specified as such in the relevant Final Terms or, if no such amount is specified in the relevant Final Terms, an amount calculated by the Calculation Agent equal to:

$$(A \times B \times C) - D - E$$

where:

“A” is the Calculation Amount;

“B” is the Applicable Percentage;

“C” is the Final Price;

“D” is Unwind Costs; and

“E” is EDD Adjustment Amount (if applicable),

provided that in no event shall the Credit Event Redemption Amount be less than zero.

“Credit Event Redemption Date”

means (i) if the Credit Event Redemption Amount or Final Price is not specified in the applicable Final Terms, the day falling the number of Business Days specified in the relevant Final Terms after the calculation of the Final Price (or, if a number of Business Days is not so specified, three Business Days) following the calculation of the Final Price or, (ii) if the Credit Event Redemption Amount or the Final Price is specified in the applicable Final Terms, the date that is three Business Days (or such other number of Business Days specified in the applicable Final Terms) following the satisfaction of all Conditions to Settlement relevant to such Credit Event (or if Cash Settlement is applicable pursuant to the Fallback Settlement Method in accordance with Condition 11(d), the date that is three Business Days (or such other number of Business Days specified in the applicable Final Terms) following any Auction Cancellation Date or No Auction Announcement Date in respect of the relevant Applicable Auction, if later).

“Credit Event Resolution Request Date”

means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (i) whether an event that constitutes a credit event for purposes of certain credit derivative transaction(s) has occurred with respect to a particular reference entity or obligation thereof; and
- (ii) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the Rules, of Publicly Available Information with respect to the DC Resolutions referred to in (i) and (ii) above.

“Currency Amount”

means, with respect to a Deliverable Obligation comprising all or part of the Asset Amount that is denominated in a currency other than the Settlement Currency, such amount converted to the relevant Settlement Currency using a rate determined by reference to the Currency Rate.

“Currency Rate”

means with respect to a Deliverable Obligation comprising the Asset Amount, the rate of conversion between the Settlement Currency and the currency in which the Outstanding Amount of such Deliverable Obligation is denominated that is either (i) determined by reference to the Currency Rate Source on such date at the Calculation Agent determines appropriate or (ii) if such rate is not available at such time, determined by the Calculation

Agent in a commercially reasonable manner (which may include the rate determined in connection with the Applicable Auction or Parallel Auction).

“Currency Rate Source”

means the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source, or other rate source, determined by the Calculation Agent in its sole and absolute discretion. For these purposes the Calculation Agent may take into account any successor rate source approved by a relevant Credit Derivatives Determinations Committee.

“DC Credit Event Announcement”

means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved that (a) an event that constitutes a Credit Event for purposes of certain credit derivative transactions has occurred with respect to such Reference Entity (or an Obligation thereof) and the Calculation Agent determines that such DC Resolution is an Applicable Resolution relevant to the Notes and (b) the Calculation Agent determines that such event occurred on or after the relevant Credit Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) and on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or, if the relevant Transaction Type of the relevant Reference Entity is Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)).

“DC No Credit Event Announcement”

means, with respect to a Reference Entity, a public announcement by ISDA that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, that the event that is the subject of the notice to ISDA resulting in the occurrence of such Credit Event Resolution Request Date does not constitute a Credit Event for purposes of the certain credit derivatives transactions with respect to such Reference Entity (or an Obligation thereof).

“DC Party”

has the meaning given to that term in the Rules.

“DC Resolution”

has the meaning given to that term in the definition of Resolve below.

“Default Requirement”

means the amount specified as such in the relevant Final Terms or its equivalent in the relevant Obligation Currency or, if a Default Requirement is not specified in the relevant Final Terms, USD 10,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Credit Event.

“Deliver”

means to deliver, novate, transfer (including, in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Asset Amount to the relevant Noteholder free and clear of any and all liens, charges, claims or encumbrances (including, without limitation, any counterclaim, defence (other than a counterclaim or defence based on the factors set out in (i) to (iv) inclusive in the definition of “Credit Event” above) or right of set-off by

or of the Reference Entity or, as applicable, an Underlying Obligor) provided that if all or a portion of an Asset Amount consists of Direct Loan Participations, “Deliver” means to create (or procure the creation) of a participation in favour of the relevant Noteholder and, to the extent that the Deliverable Obligations consist of Qualifying Guarantees, “**Deliver**” means to deliver both the Qualifying Guarantee and the Underlying Obligation. “**Delivery**” and “**Delivered**” will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for delivery of such Loan at that time.

“Deliverable Obligation”

means, subject as provided in Condition 11(c):

- (i) any obligation of a Reference Entity (either directly, as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the relevant Final Terms, as provider of any Qualifying Guarantee) determined pursuant to the method described in “(A) Method for Determining Deliverable Obligations” below (but excluding any Excluded Deliverable Obligation specified in the relevant Final Terms) that (A) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (B) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (A) to (B) of the definition of “Credit Event” above) or right of set-off by or of a Reference Entity or, as applicable, an Underlying Obligor and (C) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the date on which the Notice of Physical Settlement is deemed given, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;
- (ii) subject to the second paragraph of the definition of “Not Contingent” in “(A) Method for Determining Deliverable Obligations” below, each Reference Obligation, unless specified in the relevant Final Terms as an Excluded Deliverable Obligation;
- (iii) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that (A) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (B) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (A) to (B) of the definition of “Credit Event” above) or right of set-off by or of a Reference Entity or, as applicable, an Underlying Obligor and (C) in the case of a Qualifying Guarantee, other than a Qualifying Affiliate Guarantee, is capable, at the date on which the Notice of Physical Settlement is deemed given, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an

amount at least equal to the Outstanding Principal Balance or Due and Payable Amount being Delivered apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and

- (iv) any Additional Deliverable Obligation of a Reference Entity specified as such in the relevant Final Terms.
- (A) Method for Determining Deliverable Obligations. For the purposes of this definition of “Deliverable Obligation”, the term “Deliverable Obligation” may be defined as each obligation of each Reference Entity described by the Deliverable Obligation Category specified in the relevant Final Terms, and, subject to (B)(III) below, having each of the Deliverable Obligation Characteristics, if any, specified in the relevant Final Terms, in each case, as of the Delivery Date.

The following terms shall have the following meanings:

- I. **“Deliverable Obligation Category”** means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan (each as defined in the definition of “Obligation” below, except that, for the purpose of determining Deliverable Obligations, the definition of “Reference Obligations Only” shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligations Only).
- II. **“Deliverable Obligation Characteristics”** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance (each as defined in the definition of “Obligation” below), Not Contingent, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer where:
- III. **“Not Contingent”** means any obligation having as of the Delivery Date and all times thereafter an Outstanding Principal Balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall constitute Deliverable Obligations that are Not Contingent if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the

requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (1) to convert or exchange such obligation or (2) to require the issuer to purchase or redeem such obligation (if the issuer has exercised the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Deliverable Obligation only if the rights referred to in (1) and (2) of the preceding paragraph (III) above have not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

- IV. **“Assignable Loan”** means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction or organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent;
- V. **“Consent Required Loan”** means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such loan) or any agent;
- VI. **“Direct Loan Participation”** means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a contractual right in favour of each Noteholder that provides each Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Noteholder and either (1) the Issuer (to the extent that the Issuer is then a lender or a member of the relevant lending syndicate), or (2) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);
- VII. **“Transferable”** means an obligation that is

transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

- (1) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or
- (2) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds;

VIII. “**Maximum Maturity**” means an obligation that has a remaining maturity from the Physical Settlement Date of not greater than the period specified in the relevant Final Terms;

IX. “**Accelerated or Matured**” means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the Delivery Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and

X. “**Not Bearer**” means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream or any other internationally recognised clearing system.

(B) Interpretation of Provisions.

- I. If the Obligation Characteristic “Listed” is specified in the relevant Final Terms, the Final Terms shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category;
- II. if (1) either of the Deliverable Obligation Characteristics “Listed” or “Not Bearer” is specified in the relevant Final Terms, the Final Terms shall be construed as though such

Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Deliverable Obligation Category; (2) the Deliverable Obligation Characteristic “Transferable” is specified in the relevant Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the selected Deliverable Obligation Category); or (3) any of the Deliverable Obligation Characteristics “Assignable Loan”, “Consent Required Loan” or “Direct Loan Participation” is specified in the relevant Final Terms, the Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the selected Deliverable Obligation Category;

- III. if any of Payment, Borrowed Money, Loan, or Bond or Loan is specified as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics; and
- IV. in the event that an Obligation or a Deliverable Obligation is a Qualifying Guarantee, the following will apply:
 - (1) For purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Qualifying Guarantee shall be deemed to be described by the same category or categories as those that describe the Underlying Obligation.
 - (2) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the relevant Final Terms from the following list: Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the relevant Final Terms, (x) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (y)

the laws of England and the laws of the State of New York shall not be a Domestic Law.

- (3) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the relevant Final Terms from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.
- (4) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.
- (5) The terms “Outstanding Principal Balance” and “Due and Payable Amount” (as they are used in the Terms and Conditions, including, without limitation, the definitions of “Cash Settlement Amount” and “Quotation Amount” in Condition 11(n)), when used in connection with Qualifying Guarantees are to be interpreted to be the then “Outstanding Principal Balance” or “Due and Payable Amount”, as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

For the avoidance of doubt, the provisions of this paragraph (B) apply in respect of the definitions of Obligation and Deliverable Obligation as the context admits.

“Delivery Date”

means, with respect to a Deliverable Obligation, the date such Deliverable Obligation is Delivered.

“Delivery Expenses”

means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the Delivery of the Deliverable Obligations comprising the Asset Amount.

“Domestic Currency”

means the currency specified as such in the relevant Final Terms and any successor currency. If no currency is specified in the relevant Final Terms, the Domestic Currency shall be the lawful currency and any successor currency of (i) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (ii) the jurisdiction in which the relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor currency to any such currency).

“Downstream Affiliate”	means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent. owned, directly or indirectly, by the Reference Entity.
“Due and Payable Amount”	means, subject as provided in sub-paragraph (4)(f) of paragraph (B) (Interpretation of Provisions) in the definition of “Deliverable Obligation”, the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts).
“EDD Adjustment Amount”	<p>means an amount in the Specified Currency determined by the Calculation Agent in respect of each Calculation Amount equal to the sum of:</p> <ul style="list-style-type: none"> <li data-bbox="528 723 1457 857">(i) each amount of interest per Calculation Amount that would not have been paid (if any) on any Interest Payment Date to Noteholders had the earlier Event Determination Date been the date originally determined as the Event Determination Date; and <li data-bbox="528 893 1457 1576">(ii) interest on each such amount determined by the Calculation Agent using: <ul style="list-style-type: none"> <li data-bbox="624 994 1457 1167">(A) a rate (expressed as a percentage) calculated by the Calculation Agent in its sole and absolute discretion equal to the average of the Overnight Rates for each day in the period from and including the Interest Payment Date on which the relevant interest amount was paid to but excluding the date on which the Notes are redeemed; and <li data-bbox="624 1202 1457 1576">(B) the number of days in the period from and including the Interest Payment Date on which the relevant interest amount was paid to but excluding the date on which the Notes are redeemed divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of such period is the 31st day of a month but the first day of such period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month or (ii) the last day of such period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)).
“Eligible Transferee”	<p>means each of the following:</p> <ul style="list-style-type: none"> <li data-bbox="541 1680 1166 1706">(i) (A) any bank or other financial institution; <li data-bbox="624 1742 1161 1769">(B) an insurance or reinsurance company; <li data-bbox="624 1805 1457 1912">(C) a mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in sub-paragraph (iii)(A) below); and <li data-bbox="624 1948 1457 2013">(D) a registered or licensed broker or dealer (other than a natural person or proprietorship), <p>provided, however, in each case that such entity has total assets of at least</p>

USD 500 million;

- (ii) an Affiliate of an entity specified in the preceding sub-paragraph (i);
- (iii) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
 - (A) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligations, commercial paper conduit or other special purpose vehicle) that (I) has total assets of at least USD 100 million or (II) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least USD 100 million; or
 - (B) that has total assets of at least USD 500 million; or
 - (C) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support, or other agreement by an entity described in sub-paragraph (i), (ii), (iii)(A) or (iv); and
- (iv) a Sovereign, Sovereign Agency or Supranational Organisation.

All references in this definition to USD include equivalent amounts in other currencies.

“Enabling Obligation”

means an outstanding Deliverable Obligation that (i) is a Fully Transferable Obligation or a Conditionally Transferable Obligation, as applicable, and (ii) has a final maturity date occurring on or prior to the Scheduled Maturity Date and following the Limitation Date immediately preceding the Scheduled Maturity Date (or, in circumstances where the Scheduled Maturity Date occurs prior to the 2.5-year Limitation Date, following the final maturity date of the Latest Maturity Restructured Bond or Loan, if any).

“Equity Securities”

means:

- (i) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and
- (ii) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time.

“Event Determination Date”

means, with respect to a Credit Event:

- (i) subject to sub-paragraph (ii) of this definition, if neither an Applicable DC Credit Event Announcement nor an Applicable DC No Credit Event Announcement has occurred, the first date on which

the Calculation Agent determines that both the Credit Event Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement in the relevant Final Terms, the Notice of Publicly Available Information are delivered by the Calculation Agent to the Issuer and are effective during either:

- (A) the Notice Delivery Period; or
 - (B) the period (I) from, and including, the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in sub-paragraphs (i) and (ii) of the definition of Credit Event Resolution Request Date and the Calculation Agent determines that such Resolution constitutes an Applicable Resolution and (II) to, and including, the date that is 14 calendar days thereafter (provided that the relevant Credit Event Resolution Request Date in respect of an Applicable Request occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)); or
- (ii) notwithstanding sub-paragraph (i) of this definition, if an Applicable DC Credit Event Announcement has occurred as determined by the Calculation Agent, either:
- (A) the Credit Event Resolution Request Date (in respect of the relevant Applicable Request as determined by the Calculation Agent), if either:
 - (I) each of the following apply:
 - (1) “Event Determination Date Version A” is specified in the relevant Final Terms;
 - (2) the relevant Credit Event is not a Restructuring; and
 - (3) either (y) if “Auction Settlement” is specified as the Settlement Method in the relevant Final Terms, the Trade Date occurs on or prior to the Auction Final Price Determination Date in respect of an Applicable Auction, the Auction Cancellation Date in respect of an Applicable Auction, or the date that is 21 calendar days following the No Auction Announcement Date and the Calculation Agent determines that such announcement is an Applicable Announcement, if any, as applicable; or (z) if “Auction Settlement” is not specified as the Settlement Method in the relevant Final Terms, the Trade Date occurs on or prior to the relevant Applicable DC Credit Event Announcement; or
 - (II) each of the following apply:
 - (1) either (y) “Event Determination Date Version B” is

specified in the relevant Final Terms or (z) the relevant Credit Event is a Restructuring; and

- (2) the Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective on or prior to the relevant Exercise Cut-off Date; or
- (B) the first date on which the Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective during (I) the Notice Delivery Period or the (II) period from, and including, the date on which ISDA publicly announces the occurrence of the relevant Applicable DC Credit Event Announcement to, and including, the date that is fourteen calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date) and is an Applicable Request as determined by the Calculation Agent), if either:
 - (I) each of the following apply:
 - (1) “Event Determination Date Version A” is specified in the relevant Final Terms;
 - (2) the relevant Credit Event is not a Restructuring;
 - (3) “Auction Settlement” is not specified as the Settlement Method in the relevant Final Terms; and
 - (4) the Trade Date occurs following the relevant Applicable DC Credit Event Announcement; or
 - (II) each of the following apply:
 - (1) “Event Determination Date Version B” is specified in the relevant Final Terms; and
 - (2) either (y) “Auction Settlement” is not specified as the Settlement Method in the relevant Final Terms; or (z) if “Auction Settlement” is specified as the Settlement Method in the relevant Final Terms, the Credit Event Notice is delivered by the Calculation Agent to the Issuer and is effective on a date that is later than the relevant Exercise Cut-off Date,

provided that, in the case of this sub-paragraph (ii):

- (1) no Physical Settlement Date, if applicable, or Credit Event Redemption Date, Auction Credit Event Redemption Date or Maturity Date has occurred on or prior to the date on which the Applicable DC Credit Event Announcement occurs;
- (2) if any Valuation Date or Delivery Date, as

applicable, has occurred as of the date on which the Applicable DC Credit Event Announcement occurs, an Event Determination Date shall be deemed to have occurred only with respect to the portion of the Aggregate Nominal Amount of the Notes outstanding or the Reference Entity Nominal Amount outstanding in respect of the Reference Entity to which such Event Determination Date relates, if any, with respect to which no Valuation Date or Delivery Date, as applicable, has occurred; and

- (3) no Credit Event Notice specifying a Restructuring as the only Credit Event has previously been delivered by the Calculation Agent to the Issuer, (aa) unless the Restructuring specified in such Credit Event Notice is also the subject of the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date or (bb) unless, and to the extent that, the Exercise Amount specified in any such Credit Event Notice was less than the Aggregate Nominal Amount of the Notes then outstanding.

“Event Determination Date Reversal” has the meaning given in Condition 11(i)(iii)(B).

“Exchangeable Obligation” means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

“Excluded Deliverable Obligation” means any obligation of a Reference Entity specified as such or of a type described in the relevant Final Terms.

“Excluded Obligation” means any obligation of a Reference Entity specified as such or of a type described in the relevant Final Terms.

“Exercise Amount” has the meaning given in Condition 11(1)(i)

“Exercise Cut-off Date” means, with respect to a Credit Event:

- (i) if such Credit Event is not a Restructuring (or if such Credit Event is a Restructuring, neither “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” nor “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified in the relevant Final Terms), either;
 - (A) the Relevant City Business Day prior to the Auction Final Price Determination Date in respect of an Applicable Auction, if any;
 - (B) the Relevant City Business Day prior to the Auction

Cancellation Date, if any; or

- (C) the date that is 21 calendar days following the No Auction Announcement Date, if any,

as applicable; or

- (ii) if such Credit Event is a Restructuring and either “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” or “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified in the relevant Final Terms and:
 - (A) the relevant Credit Derivatives Determinations Committee has Resolved that Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms may be published, the date that is seven Relevant City Business Days following the date on which ISDA publishes the Final List applicable to such Credit Derivatives Auction Settlement Terms in accordance with the Rules, provided that the Calculation Agent determines that such Resolution and Credit Derivatives Auction Settlement Terms constitute an Applicable Resolution and Applicable Credit Derivatives Auction Settlement Terms, as applicable; or
 - (B) a No Auction Announcement Date occurs pursuant to subparagraph (a) of the definition of No Auction Announcement Date, the date that is 21 calendar days following such No Auction Announcement Date;

“Extension Date”

means the latest of:

- (i) the Scheduled Maturity Date;
- (ii) the Grace Period Extension Date if (a) Grace Period Extension is specified as applicable in the applicable Final Terms, (b) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date in respect of an Applicable Request, as applicable, is a Failure to Pay that occurs after the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) and (c) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)); and
- (iii) the Repudiation/Moratorium Evaluation Date if (a) the Credit Event that is the subject of the Credit Event Notice or the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date in respect of an Applicable Request, as applicable, is a Repudiation/Moratorium for which the event described in sub-

paragraph (ii) of the definition of Credit Event Resolution Request Date occurs after the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)), (b) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) and (c) the Repudiation/Moratorium Extension Condition is satisfied.

“Failure to Pay”

means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such Obligations at the time of such failure.

“Fallback Settlement Method”

means, with respect to Notes for which “Auction Settlement” is specified as the Settlement Method in the relevant Final Terms, the Fallback Settlement Method specified in such Final Terms, or if no Fallback Settlement Method is specified, the Fallback Settlement Method shall be deemed to be “Cash Settlement”.

“Final Delivery Date”

means the 30th Business Day following the Physical Settlement Date.

“Final List”

has the meaning given to that term in the Rules.

“Final Price”

means, with respect to any Valuation Obligation, the price of the Valuation Obligation, expressed as a percentage, as specified in the Final Terms or, if not so specified, determined in accordance with the Valuation Method specified in the relevant Final Terms or, if no Valuation Method is specified in the Final Terms, the Valuation Method set out in the definition of Valuation Method in either Condition 11(n) or 11(p) (as applicable).

“Full Quotation”

means, in accordance with the Quotation Method, each firm quotation obtained from a Quotation Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Valuation Obligation with an Outstanding Principal Balance equal to the Quotation Amount.

“Fully Transferable Obligation”

means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required in the case of any Deliverable Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered as a requirement for consent for purposes of this definition of “Fully Transferable Obligation”. For purposes of determining whether a Deliverable Obligation satisfies the requirements of this definition of “Fully Transferable Obligation”, such determination shall be made as of the Delivery Date for the relevant Deliverable Obligation, taking into account only the terms of the Deliverable

Obligation and any related transfer or consent documents which have been obtained by the Issuer.

“Governmental Authority” means any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity.

“Grace Period” means:

- (i) subject to paragraphs (ii) and (iii) below, the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (ii) if Grace Period Extension is specified, as applicable, in the relevant Final Terms, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)), the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the relevant Final Terms or, if no period is specified in the relevant Final Terms, 30 calendar days; and
- (iii) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified as applicable in the relevant Final Terms, such deemed Grace Period shall expire no later than the Scheduled Maturity Date.

“Grace Period Business Day” means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and, if a place or places are not so specified, in the jurisdiction of the Obligation Currency.

“Grace Period Extension Date” means, if:

- (i) Grace Period Extension is specified as applicable in the relevant Final Terms; and
- (ii) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)),

the day that is five Business Days following the day falling the number of days in the Grace Period after the date of such Potential Failure to Pay.

“Hedge Disruption Event”	means, in the opinion of the Calculation Agent, any event as a result of which the Issuer and/or any of its Affiliates has not received the relevant Deliverable Obligations under the terms of any transaction entered into by the Issuer and/or such Affiliate to hedge the Issuer’s obligations or position in respect of the Notes.
“Hedge Disruption Obligation”	means a Deliverable Obligation included in the Asset Amount which, on the Physical Settlement Date for such Deliverable Obligation, the Calculation Agent determines cannot be Delivered as a result of a Hedge Disruption Event.
“Interest Recommencement Date”	has the meaning given to it in Condition 11(j)(iii)(B).
“ISDA”	means the International Swaps and Derivatives Association, Inc. or any successor thereto as determined by the Calculation Agent.
“Legacy Reference Entity”	has the meaning given in Condition 11(k)(ix).
“Limitation Date”	means the first of 20 March, 20 June, 20 September or 20 December in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the 2.5-year Limitation Date), 5 years (the 5-year Limitation Date), 7.5 years, 10 years, 12.5 years, 15 years, or 20 years (the 20-year Limitation Date), as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention unless otherwise specified in the relevant Final Terms.
“Market Value”	<p>means, with respect to a Valuation Obligation on a Valuation Date:</p> <ul style="list-style-type: none">(i) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);(ii) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded);(iii) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;(iv) if fewer than two Full Quotations and a Weighted Average Quotation is obtained, such Weighted Average Quotation;(v) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject as provided in the definition of Quotation, an amount as determined by the Calculation Agent on

the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and

- (vi) if two or more Full Quotations or a Weighted Average Quotation are not obtained on or prior to the tenth Business Day following the applicable Valuation Date, the Market Value shall be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations for the Valuation Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

“Maturity Date” either (a) the Credit Event Redemption Date, the Auction Credit Event Redemption Date, the Repudiation/Moratorium Evaluation Date, the Grace Period Extension Date, the Partial Cash Settlement Date, the Postponed Maturity Date and the Physical Settlement Date or (b) if none of the foregoing is relevant, the Scheduled Maturity Date.

“Maturity Date Extension Event” has the meaning given in Condition 11(l)(i).

“Merger Event” and “Merger Event Notice” has the meanings given in Condition 11(k)(x).

“Method for Determining Obligations” For the purposes of paragraph (i) of the definition of “Obligation”, the term “Obligation” may be defined as each obligation of each Reference Entity described by the Obligation Category specified in the relevant Final Terms, and having each of the Obligation Characteristics (if any) specified in the relevant Final Terms, in each case, as of the date of the event which constitutes the Credit Event which is either the subject of the Credit Event Notice or as of the date of the notice to ISDA resulting in the occurrence of the Credit Event Resolution Request Date, as applicable. The following terms shall have the following meanings:

- (i) **“Obligation Category”** means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the relevant Final Terms, where:
 - (A) **“Payment”** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
 - (B) **“Borrowed Money”** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);
 - (C) **“Reference Obligations Only”** means any obligation that is a Reference Obligation and no Obligation Characteristics

shall be applicable to Reference Obligations Only;

- (D) **“Bond”** means any obligation of a type included in the “Borrowed Money” Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;
 - (E) **“Loan”** means any obligation of a type included in the “Borrowed Money” Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and
 - (F) **“Bond or Loan”** means any obligation that is either a Bond or a Loan.
- (ii) **“Obligation Characteristics”** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance specified in the relevant Final Terms, where:
- (A) **“Not Subordinated”** means an obligation that is not Subordinated to the most senior Reference Obligation in priority of payment or, if no Reference Obligation is specified in the relevant Final Terms, any unsubordinated Borrowed Money obligation of the Reference Entity; provided that, if any of the events set forth under subparagraph (a) of the definition of Substitute Reference Obligation below has occurred with respect to all of the Reference Obligations or if with respect to the Reference Obligation one or more Successors to the Reference Entity have been identified and any one or more such Successors have not assumed the Reference Obligation (each, in each case, a Prior Reference Obligation) and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligations at the time of the determination of whether an obligation satisfies the “Not Subordinated” Obligation Characteristic or Deliverable Obligation Characteristic, as applicable, “Not Subordinated” shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment. For purposes of determining whether an obligation satisfies the “Not Subordinated” Obligation Characteristic or Deliverable Obligation Characteristic, the ranking in priority of payment of each Reference Obligation, or each Prior Reference Obligation, as applicable, shall be determined as of the date as of which the relevant Reference Obligation, or Prior Reference Obligation, as applicable, was issued or incurred and shall not reflect any change to such ranking in priority of payment after such date;

- (B) “**Subordination**” means, with respect to an obligation (the “**Subordinated Obligation**”) and another obligation of the Reference Entity to which such obligation is being compared (the “**Senior Obligation**”), a contractual, trust or other similar arrangement providing that (I) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (II) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. “Subordinated” will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign;
- (C) “**Specified Currency**” means an obligation that is payable in the currency or currencies specified as such in the relevant Final Terms (or, if Specified Currency is specified in the relevant Final Terms and no currency is so specified, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies, which currencies shall be referred to collectively in the relevant Final Terms as the “**Standard Specified Currencies**”);
- (D) “**Not Sovereign Lender**” means any obligation that is not primarily owed to a Sovereign or Supranational Organisation, including, without limitation, obligations generally referred to as “Paris Club debt”;
- (E) “**Not Domestic Currency**” means any obligation that is payable in any currency other than the Domestic Currency;
- (F) “**Not Domestic Law**” means any obligation that is not governed by the laws of (I) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (II) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign;
- (G) “**Listed**” means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and

- (H) **“Not Domestic Issuance”** means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of the Reference Entity.

“Minimum Quotation Amount”

means the amount specified as such in the relevant Final Terms (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (i) USD 1,000,000 (or its equivalent in the relevant Obligation Currency) and (ii) the Quotation Amount.

“Modified Eligible Transferee”

means any bank, financial institution or other entity which is regularly engaged in an established for the purpose of making, purchasing or investing in loans, securities and other financial assets.

“Modified Restructuring Maturity Limitation Date”

means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date, provided that, in circumstances where the Scheduled Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. If “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified in the applicable Final Terms and the Scheduled Maturity Date is later than the 2.5-year Limitation Date and, prior to the 5-year Limitation Date, a Restructured Bond or Loan will not constitute an Enabling Obligation. Notwithstanding the foregoing, if the Scheduled Maturity Date is either (i) on or prior to the 2.5-year Limitation Date or (ii) later than the 2.5-year Limitation Date and on or prior to the 5-year Limitation Date and no Enabling Obligation exists, the Modified Restructuring Maturity Limitation Date will be the 5-year Limitation Date in the case of a Restructured Bond or Loan only.

Subject to the foregoing, in the event that the Scheduled Maturity Date is later than (A) the 2.5-year Limitation Date and no Enabling Obligation exists or (B) the 20-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Scheduled Maturity Date.

“Movement Option”

means, if either “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” or “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified as applicable in the relevant Final Terms, and if a No Auction Announcement Date has occurred pursuant to sub-paragraph (ii) of the definition of No Auction Announcement Date, the option of the Issuer to elect in good faith that a Parallel Auction and a set of Parallel Auction Settlement Terms, selected by the Issuer in good faith, shall be deemed to be applicable for the purposes of the Notes and Auction Settlement in respect of a Reference Entity and a Credit Event (for which purpose the Issuer may take into account (a) the terms of the relevant Parallel Auction Settlement Terms, the permissible deliverable obligations thereunder, the Deliverable Obligations under the

Notes and (b) any hedging transaction that the Issuer has or may enter into in connection with the Notes). If the Issuer does not exercise this Movement Option, the Fallback Settlement Method shall apply.

“Multiple Exercise Restructuring Credit Event”

means a Restructuring Credit Event in respect of which (i) “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” or “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified in the relevant Final Terms and (ii) the Exercise Amount specified in the first Credit Event Notice delivered by the Issuer in connection with such Restructuring Credit Event is for an amount that is less than the Aggregate Nominal Amount of the Notes.

“Multiple Holder Obligation”

means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event; provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (ii).

“New Basket”, “New Basket Notional Amount”, “New Basket Relevant Proportion” and “New Basket Outstanding Principal Amount”

have the meanings given to such terms in Condition 11(k)(v) and (vi).

“No Auction Announcement Date”

means, with respect to Notes for which Auction Settlement is specified as the Settlement Method in the relevant Final Terms, a Reference Entity and a Credit Event, the date on which the Calculation Agent determines that ISDA first publicly announces that:

- (i) no Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published; or
- (ii) following the occurrence of a Restructuring, if either “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” or “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified in the relevant Final Terms only, no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published; or
- (iii) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by ISDA to the contrary and the Calculation Agent determines that such Resolution is an Applicable Resolution and no Applicable Auction will be held.

“Non-Succession Event Reference Entity”

has the meaning given in Condition 11(k)(iv).

“NOPS Amendment Notice”

has the meaning given in Condition 11(c).

“Notice Delivery Period”	means the period from and including the Trade Date to and including the second Business Day after the date falling fourteen calendar days after the Extension Date.
“Notice of Physical Settlement”	shall have the meaning given in Condition 11(c).
“Notice of Publicly Available Information”	means an irrevocable notice from the Calculation Agent (which may be in writing (including by facsimile and/or e-mail) and/or by telephone) to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both paragraphs (i) and (ii) of the definition of “Repudiation/Moratorium”. The notice given must contain a copy or description in reasonable detail of the relevant Publicly Available Information. If Notice of Publicly Available Information is specified as applicable in the relevant Final Terms and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information. A Notice of Publicly Available Information shall be subject to the requirements regarding notices in Condition 11(s).
“Obligation”	<p>means:</p> <ul style="list-style-type: none"> <li data-bbox="528 1205 1447 1406">(i) any obligation of a Reference Entity (either directly, as a provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the relevant Final Terms, as provider of any Qualifying Guarantee) determined pursuant to the method described in “Method for Determining Obligations” above (but excluding any Excluded Obligation); <li data-bbox="528 1444 1447 1509">(ii) each Reference Obligation specified in the relevant Final Terms, unless specified as an Excluded Obligation; and <li data-bbox="528 1547 1447 1912">(iii) any Additional Obligation of a Reference Entity specified as such in the relevant Final Terms. <ul style="list-style-type: none"> <li data-bbox="627 1646 1447 1816">(A) “Loan” means any obligation of a type included in the “Borrowed Money” Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and <li data-bbox="627 1854 1447 1912">(B) “Bond or Loan” means any obligation that is either a Bond or a Loan.
“Obligation Acceleration”	means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event or default or other similar condition or event

(however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

“Obligation Currency”

means the currency or currencies in which the Obligation is denominated.

“Obligation Default”

means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default, or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

“Observation Cut-Off Date”

means the later of (i) the last day of the Notice Delivery Period and (ii) either (y) the last day of the period described in subparagraph (i)(B) of the definition of Event Determination Date or, (z) the last day of the period described in sub-paragraph (ii)(B) of the definition of Event Determination Date, as applicable.

“Outstanding Amount”

has the meaning given in Condition 11(l)(iii).

“Outstanding Principal Balance”

means, subject as provided in sub-paragraph (4)(f) of paragraph (B) (Interpretation of Provisions) in the definition of “Deliverable Obligation”:

- (i) with respect to any Accreting Obligation, the Accreted Amount thereof; and
- (ii) with respect to any other obligation, the outstanding principal balance of such obligation,

provided that with respect to any Exchangeable Obligation that is not an Accreting Obligation, “Outstanding Principal Balance” shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

“Overnight Rate”

means, in respect of any day in an Additional Amount Period:

- (i) where the Specified Currency is EUR, a reference rate equal to the overnight rate as calculated by the European Central Bank and appearing on Reuters Page EONIA (or such other source, including any successor to such page or service, as the Calculation Agent shall determine to be appropriate) in respect of that day, if that day is a TARGET Settlement Day, or in respect of the TARGET Settlement Day immediately preceding that day if that day is not a TARGET Settlement Day; or
- (ii) where the Specified Currency is U.S.\$, a reference rate equal to the rate set forth in H.15 (519) for that day opposite the caption “Federal Funds (effective)”, as such rate is displayed on Reuters Screen FEDFUNDS1 (or such other source, including any successor to such page or service, as the Calculation Agent shall determine to be appropriate) in respect of that day if that day is a Business Day or in respect of the Business Day immediately preceding that day if that day is not a Business Day; or

- (iii) where the Specified Currency is a currency other than U.S.\$ or EUR, the Overnight Rate specified in the relevant Final Terms.

As used herein, ‘H.15 (519)’ means the weekly statistical release designated as such, or any successor publication published by the Federal Reserve System Board of Governors, available through the worldwide website of the Board of Governors of the Federal Reserve System at www.bog.frb.fed.us/releases/h15, or any successor site or publication.

Provided That with respect to any Exchangeable Obligation that is not an Accreting Obligation, “Outstanding Principal Balance” shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

“Parallel Auction”	means “Auction” as defined in the relevant Parallel Auction Settlement Terms.
“Parallel Auction Cancellation Date”	means “Auction Cancellation Date” as defined in the relevant Parallel Auction Settlement Terms.
“Parallel Auction Final Price Determination Date”	means “Auction Final Price Determination Date” as defined in the relevant Parallel Auction Settlement Terms.
“Parallel Auction Settlement Date”	means “Auction Settlement Date” as defined in the relevant Parallel Auction Settlement Terms.
“Parallel Auction Settlement Terms”	means, following the occurrence of a Restructuring, if either “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” or “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable” is specified in the relevant Final Terms, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such Restructuring in accordance with the Rules, and for which the deliverable obligation terms are the same as the Deliverable Obligation provisions applicable to the Notes and the Calculation Agent determines that the related Auction would not be an Applicable Auction for the purposes of the Notes.
“Partial Cash Settlement Amount”, “Partial Cash Settlement Date” and “Partial Cash Settlement Notice”	have the meaning given in Condition 11(n).
“Partial Principal Amount”	has the meaning set out in Condition 11(k)(iii)(C) of these Credit Linked Conditions.
“Payment Requirement”	means the amount specified as such in the relevant Final Terms or its equivalent in the relevant Obligation Currency or, if a Payment Requirement is not specified in the relevant Final Terms, USD 1,000,000, or its equivalent as calculated by the Calculation Agent in the relevant Obligation Currency, in either case, as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.
“Permitted Currency”	means (i) the legal tender of any Group of 7 country (or any country that

becomes a member of the Group of 7 if such Group of 7 expands its membership), or (ii) the legal tender of any country which, as of the date of such change, is a member of the Organisation for Economic Co-operation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor's, a division of the McGraw-Hill Companies, Inc. or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's Investors Service, Inc. or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof.

“Physical Settlement Date”	means, subject to Condition 11(e), the last day of the longest Physical Settlement Period following the satisfaction of the Conditions to Settlement (the Scheduled Physical Settlement Date) Provided That if a Hedge Disruption Event has occurred and is continuing on the second Business Day immediately preceding the Scheduled Physical Settlement Date, the Physical Settlement Date shall be the earlier of (i) the second Business Day following the date on which no Hedge Disruption Event subsists and (ii) the day falling 60 Business Days following the Scheduled Physical Settlement Date.
“Physical Settlement Notice”	has the meaning given in Condition 11(c)
“Physical Settlement Matrix”	means the “Credit Derivatives Physical Settlement Matrix” as most recently amended or supplemented as at the Trade Date (unless otherwise specified in the Final Terms) and as published by ISDA on its website at www.isda.org (or any successor website). The Physical Settlement Matrix may be applicable to any Series of Notes (notwithstanding that the Settlement Method for such Notes may not be “Physical Settlement”) where “Physical Settlement Matrix Standard Terms” are specified as applicable in the Final Terms and one or more Transaction Type(s) are specified as applying to the Reference Entity(ies) of such Series of Notes.
“Physical Settlement Period”	means, subject to Condition 11(e), the number of Business Days specified as such in the relevant Final Terms or, if a number of Business Days is not so specified, then, with respect to a Deliverable Obligation comprising the Asset Amount, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent.
“Postponed Maturity Date”	has the meaning given in Condition 11(i)(i)(IV).
“Postponement Credit Event”	has the meaning given in Condition 11(i)(i)(D).
“Potential Failure to Pay”	means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure.
“Potential Repudiation/Moratorium”	means the occurrence of an event described in paragraph (i) of the definition of “Repudiation/Moratorium”.

“Publicly Available Information”

means:

- (i) information that reasonably confirms any of the facts relevant to the determination that the Credit Event or a Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice has occurred and which:
 - (A) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information provided that, if either the Calculation Agent or the Issuer or any of their respective Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless either the Calculation Agent or the Issuer or any of their Affiliates is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation;
 - (B) is information received from or published by (I) a Reference Entity or, as the case may be, a Sovereign Agency in respect of a Reference Entity which is a Sovereign or (II) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation;
 - (C) is information contained in any petition or filing instituting a proceeding described in paragraph (iv) of the definition of “Bankruptcy” against or by a Reference Entity; or
 - (D) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.
- (ii) In the event that the Calculation Agent is (A) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for the Obligation with respect to which a Credit Event has occurred and (B) a holder of such Obligation, the Calculation Agent shall be required to deliver to the Issuer a certificate signed by a Managing Director (or other substantially equivalent title) of the Calculation Agent, which shall certify the occurrence of a Credit Event with respect to such Obligation.
- (iii) In relation to any information of the type described in paragraphs (i) (B), (C) and (D) above, the Issuer and the Calculation Agent may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the entity disclosing

such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the Issuer and the Calculation Agent.

- (iv) Publicly Available Information need not state:
 - (A) in relation to the definition of “Downstream Affiliate”, the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity; and
 - (B) that such occurrence:
 - I. has met the Payment Requirement or Default Requirement;
 - II. is the result of exceeding any applicable Grace Period; or
 - III. has met the subjective criteria specified in certain Credit Events.

“Public Source”

means each source of Publicly Available Information specified as such in the relevant Final Terms (or, if a source is not specified in the relevant Final Terms, each of Bloomberg® Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

“Qualifying Affiliate Guarantee”

means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

“Qualifying Guarantee”

means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the “**Underlying Obligation**”) for which another party is the obligor (the “**Underlying Obligor**”). Qualifying Guarantees shall exclude any arrangement structured (i) as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced or otherwise altered or assigned (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being delivered together with the Delivery of the Underlying Obligation.

“Qualifying Participation Seller”

means any participation seller that meets the requirements specified in the relevant Final Terms. If no such requirements are specified, there shall be no Qualifying Participation Seller.

“Quotation”

means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

- (i) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations for the Valuation Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.
- (ii)
 - (A) If “Include Accrued Interest” is specified in the relevant Final Terms in respect of Quotations, such Quotations shall include accrued but unpaid interest.
 - (B) If “Exclude Accrued Interest” is specified in the relevant Final Terms in respect of Quotations, such Quotations shall not include accrued but unpaid interest.
 - (C) If neither “Include Accrued Interest” nor “Exclude Accrued Interest” is specified in the relevant Final Terms in respect of Quotations, the Calculation Agent shall determine based on the current market practice in the market of the Valuation Obligation, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.
- (iii) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the Outstanding Principal Balance for the purposes of determining the Final Price.

“Quotation Amount”

means the amount specified as such in the relevant Final Terms (which may be specified by reference to an amount in a currency or by reference to a Representative Amount) or, if no amount is specified in the relevant Final

Terms, the Aggregate Nominal Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained).

“Quotation Dealer”

means a dealer in obligations of the type of Obligation(s) for which Quotations are to be obtained including each Quotation Dealer specified in the relevant Final Terms. If no Quotation Dealers are specified in the relevant Final Terms, the Calculation Agent shall select the Quotation Dealers in its sole and absolute discretion. Upon a Quotation Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Quotation Dealer(s) for such Quotation Dealer(s).

“Quotation Method”

means the applicable Quotation Method specified in the relevant Final Terms by reference to one of the following terms:

- (i) **“Bid”** means that only bid quotations shall be requested from Quotation Dealers;
- (ii) **“Offer”** means that only offer quotations shall be requested from Quotation Dealers; or
- (iii) **“Mid-market”** means that bid and offer quotations shall be requested from Quotation Dealers and shall be averaged for purposes of determining a relevant Quotation Dealer’s quotation.

If a Quotation Method is not specified in the relevant Final Terms, Bid shall apply.

“Reference Entity”

means the entity or entities specified as such in the relevant Final Terms. Any Successor to a Reference Entity either (a) identified by the Calculation Agent pursuant to Condition 11(k) and the definition of “Successor” in this Condition 11(p) on or following the Trade Date or (b) identified by the Calculation Agent by reference to a public announcement by ISDA on or following the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, one or more Successors in accordance with the Rules, shall, in each case, be the Reference Entity, or if there is more than one Successor, the Reference Entities, for the purposes of the relevant Series.

“Reference Entity Nominal Amount”

means, in respect of a Reference Entity, the amount specified as such in the relevant Final Terms.

“Reference Obligation”

means each obligation specified or of a type described as such in the relevant Final Terms (if any are so specified or described) and any Substitute Reference Obligation.

“Relevant City Business Day”

has the meaning given to that term in the Rules.

“Relevant Obligations”

means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Calculation Agent. The Calculation

Agent will determine the entity which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.

“Relevant Proportion”	means an amount (expressed as a percentage) equal to the Calculation Amount divided by the initial Aggregate Nominal Amount (as at the Trade Date) of all Notes outstanding as at the relevant Event Determination Date.
“Remaining Amount”	has the meaning set out in Condition 11(k)(iii)(C) of these Credit Linked Conditions.
“Representative Amount”	means an amount that is representative for a single transaction in the relevant market and at the relevant time, such amount to be determined by the Calculation Agent.
“Repudiation/Moratorium”	means the occurrence of both of the following events: <ul style="list-style-type: none"> (i) an authorised officer of a Reference Entity or a Governmental Authority: <ul style="list-style-type: none"> (A) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement; or (B) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement; and (ii) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.
“Repudiation/Moratorium Evaluation Date”	means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)), (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Scheduled Maturity Date unless the Repudiation/Moratorium Extension Condition is satisfied.

**“Repudiation/Moratorium
Extension Condition”**

is satisfied if:

- (i) the Calculation Agent determines that ISDA has publicly announced pursuant to a valid request that was made, in accordance with the Rules, and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date that the relevant Credit Derivatives Determinations Committee has resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the relevant Reference Entity and that such event occurred on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) and such Resolution constitutes an Applicable Resolution; or
- (ii) otherwise by the delivery by the Calculation Agent to the Issuer of a Repudiation/Moratorium Extension Notice and, if Notice of Publicly Available Information is specified as a Condition to Settlement in the relevant Final Terms, a Notice of Publicly Available Information that are each effective on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date.

In all cases, the Calculation Agent may determine that the Repudiation/Moratorium Extension Condition has not been satisfied, or is not capable of being satisfied, if, or to the extent that, ISDA publicly announces, pursuant to a valid request that was delivered in accordance with the Rules and effectively received on or prior to the date that is fourteen calendar days after the Scheduled Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that either (A) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the relevant Reference Entity or (B) an event that constitutes a Potential Repudiation/Moratorium for purposes of the relevant Credit Derivative Transaction has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)).

Sub-paragraph (i) and the immediately preceding paragraph of this definition shall not apply unless the Calculation Agent determines that the relevant Resolution referred to therein constitutes an Applicable Resolution.

**“Repudiation/Moratorium
Extension Notice”**

means an irrevocable notice (which may be in writing (including by facsimile and/or e-mail) and/or by telephone) from the Calculation Agent to the Issuer (which the Calculation Agent has the right but not the obligation to deliver) that describes a Potential Repudiation/Moratorium that occurred on or after the Trade Date and on or prior to the Scheduled Maturity Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)). A

Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

**“Resolve”, “Resolved”,
“Resolves” and “Resolving”**

means, with respect to a Credit Derivatives Determinations Committee, the making of a specific determination in accordance with the relevant Rules (and each such determination, a DC Resolution).

**“Restructured Bond or
Loan”**

means an Obligation which is a Bond or Loan and in respect of which the Restructuring that is the subject of a Credit Event Notice has occurred.

“Restructuring”

means, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between a Reference Entity or a Governmental Authority and a sufficient number of holders of the Obligation to bind all the holders of such Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the terms of such Obligation in effect as of the later of (A) the Credit Event Backstop Date and (B) the date as of which such Obligation is issued or incurred:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
- (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
- (iii) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest or (ii) the payment of principal or premium;
- (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.

Notwithstanding the above provisions, none of the following shall constitute a Restructuring:

- (A) the payment in euro of interest or principal in relation to an Obligation denominated in a currency of a member state of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
- (B) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above due to an administrative

adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and

- (C) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.

For purposes of the definition of “Restructuring” and Condition 11(l), the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the relevant Final Terms, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in the initial paragraph and sub-paragraphs (i) to (v) of the definition of “Restructuring” and the definition of “Subordination” shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in the second paragraph of this definition of Restructuring shall continue to refer to the Reference Entity.

“Restructuring Date”	means the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.
“Restructuring Maturity Limitation Date”	means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Scheduled Maturity Date, provided that, in circumstances where the Scheduled Maturity Date is later than the 2.5-year Limitation Date, at least one Enabling Obligation exists. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a “Latest Maturity Restructured Bond or Loan”) and the Scheduled Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.
“Reversal Cut-off Date”	has the meaning given in the definition of “Conditions to Settlement” in this Condition 11(p).
“Rules”	means with respect to a Credit Derivatives Determinations Committee the Credit Derivatives Determinations Committees Rules published by ISDA on its website at www.isda.org (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms thereof.
“Settlement Currency”	means the currency specified as such in the relevant Final Terms or, if no currency is specified in the relevant Final Terms, the Specified Currency of the Notes.
“Settlement Date”	means the latest of the Auction Credit Event Redemption Date, the Credit Event Redemption Date, the Physical Settlement Date, the Delivery Date and the Partial Cash Settlement Date.
“Settlement Method”	means if (a) “Auction Settlement” is specified as the Settlement Method in

the relevant Final Terms, Auction Settlement, (b) “Cash Settlement” is specified as the Settlement Method in the relevant Final Terms or is deemed to be applicable, Cash Settlement, or (c) “Physical Settlement” is specified as the Settlement Method in the relevant Final Terms, Physical Settlement.

“Sovereign”

means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof.

“Sovereign Agency”

means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

“Sovereign Reference Entity”

means a Reference Entity determined to be a Sovereign Reference Entity by the Calculation Agent.

“Sovereign Restructured Deliverable Obligation”

means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category specified in the relevant Final Terms, and, subject to paragraph (3) of (B) (Interpretation of Provisions) in the definition of “Deliverable Obligation”, having each of the Deliverable Obligation Characteristics, if any, specified in the relevant Final Terms, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring.

“Specified Number”

means the number of Public Source(s) specified in the relevant Final Terms, or, if no number is specified in the relevant Final Terms, two.

“Substitute Reference Obligation”

means one or more obligations of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the relevant Final Terms, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations in respect of such Reference Entity, identified by the Calculation Agent in accordance with the following procedures:

(i) In the event that:

(A) a Reference Obligation in respect of such Reference Entity is redeemed in whole; or

(B) in the opinion of the Calculation Agent (I) the aggregate amounts due under any Reference Obligation in respect of such Reference Entity have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments), (II) any Reference Obligation in respect of such Reference Entity is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms or (III) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation in respect of such Reference Entity is no longer an obligation of a Reference Entity,

the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation in respect of such Reference Entity.

- (ii) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (A) ranks *pari passu* in priority of payment with the ranking in priority of payment of each of the Substitute Reference Obligations and such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date as of which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such date), (B) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent of the delivery and payment obligations of the Issuer and (C) is an obligation of the relevant Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the relevant Final Terms, as provider of any Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations. The Calculation Agent shall notify the Noteholders of any selection of a Substitute Reference Obligation or Substitute Reference Obligations, provided that a failure to give such notice shall not invalidate the selection of the Substitute Reference Obligation(s). Provided that for the purposes of this definition, where the Reference Obligation specified in the applicable Final Terms is a subordinated obligation and such obligation is redeemed in full on or prior to the Trade Date, the ranking in priority of payment of the Reference Obligation for the purposes of this definition shall be that of such Reference Obligation as of the date on which such Reference Obligation was redeemed in full.
- (iii) If more than one specific Reference Obligation is identified as a Reference Obligation in respect of a Reference Entity in relation to a Series, any of the events set forth in paragraph (i) above has occurred with respect to one or more but not all of such Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each such Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.
- (iv) If more than one specific Reference Obligation is identified as a Reference Obligation in respect of a Reference Entity in relation to a Series, any of the events set forth in paragraph (i) above has occurred with respect to all such Reference Obligations, and the Calculation Agent determines that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.

- (v) If:
 - (A) more than one specific Reference Obligation is identified as a Reference Obligation in respect of a Reference Entity in relation to a Series, any of the events set forth in paragraph (i) above has occurred with respect to all such Reference Obligations and the Calculation Agent determines that no Substitute Reference Obligation is available for any of such Reference Obligations; or
 - (B) only one specific Reference Obligation is identified as a Reference Obligation in respect of a Reference Entity in relation to a Series, any of the events set forth in paragraph (i) above has occurred with respect to such Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for that Reference Obligation,

then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the Extension Date.

If (1) either Cash Settlement is specified as the Settlement Method in the relevant Final Terms (or is applicable pursuant to the Fallback Settlement Method in accordance with Condition 11(d) and the Credit Event Redemption Amount is determined by reference to a Reference Obligation or (2) either Auction Settlement or Physical Settlement is specified as the Settlement Method in the relevant Final Terms (or, in the case of Physical Settlement, is applicable pursuant to the Fallback Settlement Method in accordance with Condition 11(d)) and, in each case, the Reference Obligation is the only Deliverable Obligation and (B) on or prior to the Extension Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)), a Substitute Reference Obligation has not been identified, as of the end of the day on the Extension Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)), the Issuer shall redeem each Note on the Second Business Day following the Extension Date at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency.

- (vi) For the purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation.

“Succession Event”

means (i) with respect to a Reference Entity that is not a Sovereign, an event such as a merger, de-merger, consolidation, amalgamation, transfer of assets or liabilities, spin off or other similar event in which one entity succeeds to

the obligations of another entity, whether by operation of law or pursuant to any agreement or (ii) with respect to a Reference Entity that is a Sovereign, an event such as an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity. Notwithstanding the foregoing, “Succession Event” shall not include an event (A) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, demerger, consolidation, amalgamation, transfer of assets or liabilities, spin-off or other similar event or (B) with respect to which the legally effective date (or, in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the applicable Succession Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)).

**“Succession Event
Backstop Date”**

means:

- (i) if Succession Event Backstop Date is specified as “Applicable” in the relevant Final Terms, the date determined by the Calculation Agent:
 - (a) for the purposes of any event that constitutes a Succession Event for purposes of certain credit derivative transactions, as determined by DC Resolution the date that is 90 calendar days prior to the relevant Succession Event Resolution Request Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)) provided that the Calculation Agent determines that such DC Resolution constitutes an Applicable Resolution; or
 - (b) otherwise, the date that is 90 calendar days prior to the earlier of (A) the date on which the Succession Event Notice is effective and (B) in circumstances where (I) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (i) and (ii) of the definition of Succession Event Resolution Request Date are satisfied in accordance with the Rules, (II) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and (III) the Succession Event Notice is delivered by the Calculation Agent to the Issuer not more than fourteen calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Succession Event Resolution Request Date provided that the Calculation Agent determines that such DC Resolutions constitute Applicable Resolutions; or

- (c) if Succession Event Backstop Date is specified as “Not Applicable” in the relevant Final Terms, the Succession Event Backstop Date shall be deemed to be the Business Day following the Trade Date.

The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention unless otherwise specified in the relevant Final Terms.

“Succession Event Notice” means an irrevocable notice from the Calculation Agent (which may be in writing (including by facsimile and/or email) and/or by telephone) to the Issuer that describes a Succession Event that occurred on or after the relevant Succession Event Backstop Date (determined by reference to Greenwich Mean Time (or, if the Transaction Type of the relevant reference Entity is a Japan Corporate or Japan Sovereign (as such terms are defined in the 2005 Matrix Supplement), Tokyo time)).

A Succession Event Notice must contain a description in reasonable detail of the facts relevant to the determination, pursuant to the definition of Successor, of (i) whether a Succession Event has occurred and (ii) if relevant, the identity of any Successor(s). A Succession Event Notice shall be subject to the requirements regarding notices in Condition 11(s).

“Succession Event Reference Entity” has the meaning given in Condition 11(k)(iv).

“Succession Event Resolution” means a DC Resolution resolving, with respect to a Reference Entity, that a Succession Event has occurred.

“Succession Event Resolution Request Date” means, with respect to a notice to ISDA, delivered in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (i) whether an event that constitutes a Succession Event for purposes of the relevant Credit Derivative Transaction has occurred with respect to the relevant Reference Entity; and
- (ii) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, (A) with respect to a Reference Entity that is not a Sovereign, the legally effective date of such event or (B) with respect to a Reference Entity that is a Sovereign, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective, provided that the Calculation Agent determines that such request and the DC Resolution constitute an Applicable Request and an Applicable Resolution.

“Successor” means:

- (i) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set forth below:

- (A) if one entity directly or indirectly succeeds to 75 per cent. or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor;
- (B) if only one entity directly or indirectly succeeds to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent. of the Relevant Obligations will be the sole Successor;
- (C) if more than one entity each directly or indirectly succeed to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will each be a Successor and these Terms and Conditions and/or the relevant Final Terms will be adjusted as provided below;
- (D) if one or more entity each directly or indirectly succeed to more than 25 per cent. of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor and these Terms and Conditions and/or the relevant Final Terms will be adjusted as provided below;
- (E) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of the Succession Event; and
- (F) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than 25 per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor; and

- (ii) in relation to a Sovereign Reference Entity, any direct or indirect successor(s) to that Reference Entity irrespective of whether such successor(s) assumes any of the obligations of such Reference Entity.

In the case of (i) above, the Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than 14 calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under (i)(D) above, as applicable. In calculating the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under (i)(F) above, as applicable, the Calculation Agent shall use, in respect of each applicable Relevant Obligation included in such calculation, the amount of the liability in respect of such Relevant Obligation listed in the Best Available Information and shall, as soon as practicable after such calculation, make such calculation available for inspection by Noteholder(s) at the specified office of the Fiscal Agent and, for so long as the Notes are listed on the Luxembourg Stock Exchange, at the office of the Paying Agent in Luxembourg.

Where pursuant to paragraph (i)(C) or (i)(D) above, more than one Successor has been identified, the Calculation Agent shall adjust such of the Terms and Conditions and/or the relevant Final Terms as it in its sole and absolute discretion acting in a commercially reasonable manner shall determine to be appropriate to reflect that the relevant Reference Entity has been succeeded by more than one Successor and shall determine the effective date of that adjustment. The Calculation Agent shall be deemed to be acting in a commercially reasonable manner if it adjusts such of the Terms and Conditions and/or the relevant Final Terms in such a manner as to reflect the adjustment to and/or division of any credit derivative transaction(s) related to or underlying the Notes under the provisions of the 2003 ISDA Credit Derivatives Definitions.

Upon the Calculation Agent making such adjustment, the Issuer shall give notice as soon as practicable to Noteholders in accordance with Condition 20, stating the adjustment to the Terms and Conditions and/or the relevant Final Terms and giving brief details of the relevant Succession Event.

For the purposes of this definition of “Successor”, “**succeed**” means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to paragraph (i) of this definition of “Successor” shall be made, in the case of an exchange offer, on the basis of the Outstanding Principal Balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the Outstanding Principal Balance of Bonds for which

Relevant Obligations have been exchanged.

Where:

- (i) a Reference Obligation is specified in the relevant Final Terms;
- (ii) one or more Successors to the Reference Entity have been identified; and
- (iii) any one or more such Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined in accordance with the definition of “Substitute Reference Obligation” above.

“Successor Reference Entity”

has the meaning given in Condition 11(k)(iv)

“Supranational Organisation”

means any entity or organisation established by treaty or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns, and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and the European Bank for Reconstruction and Development.

“Surviving Reference Entity”

has the meaning given in Condition 11(k)(ix).

“Suspension Event”

means the Calculation Agent determines that a public announcement has been made by ISDA that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in subparagraphs (i) and (ii) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the Rules and such announcement relates to a Reference Entity and Credit Event under the Notes.

“Suspension Event Cessation Date”

means, with respect to a Suspension Event, the date on which the Calculation Agent determines that ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved (i) the matters described in the definition of Suspension Event or (ii) not to determine such matters.

“Trade Date”

means the date specified as such in the relevant Final Terms.

“Transaction Auction Settlement Terms”

means, following the occurrence of a Restructuring, if either “Restructuring Maturity Limitation and Fully Transferable Obligation Applicable” or “Modified Restructuring Maturity Limitation and Conditionally Transferable Obligations Applicable” is specified in the relevant Final Terms, the Applicable Credit Derivatives Auction Settlement Terms with respect to the Auction which the Calculation Agent determines is the Applicable Auction with respect to the Notes.

“Transaction Type”

means for the purposes of the application of the Physical Settlement Matrix to a Series of Notes where “Physical Settlement Matrix Standard Terms” is specified as applicable in the Final Terms, each Reference Entity designated as one of the following in the Final Terms:

- (a) North American Corporate;
- (b) European Corporate;
- (c) Australia Corporate;
- (d) New Zealand Corporate;
- (e) Japan Corporate;
- (f) Singapore Corporate;
- (g) Asia Corporate;
- (h) Asia Sovereign;
- (i) Emerging European & Middle Eastern Sovereign;
- (j) Japan Sovereign;
- (k) Australia Sovereign;
- (l) New Zealand Sovereign;
- (m) Singapore Sovereign;
- (n) Latin America Sovereign;
- (o) Western European Sovereign,

and any other Transaction Type which may be added to the Physical Settlement Matrix from time to time.

“Undeliverable Obligation” means a Deliverable Obligation included in the Asset Amount which, on the Physical Settlement Date for such Deliverable Obligation, the Calculation Agent determines for any reason (including, without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the Delivery of Loans) it is impossible or illegal to Deliver on the Physical Settlement Date.

“Unwind Costs” means the amount specified in the relevant Final Terms or, if “Standard Unwind Costs” are specified in the relevant Final Terms, an amount determined by the Calculation Agent equal to the sum of (without duplication) all costs, fees, charges, expenses (including loss of funding), tax and duties incurred by the Issuer and/or any Affiliates in connection with the redemption of the Notes and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned pro rata among each nominal amount of Notes in the Calculation Amount.

“Valuation Date” means:

- (i) where Physical Settlement is specified as applicable in the relevant Final

Terms and Condition 11(n) applies, the day falling three Business Days after the Final Delivery Date, or

(ii) where Cash Settlement is specified as applicable in the relevant Final Terms,

if “Single Valuation Date” is specified in the relevant Final Terms, subject to Condition 11(e), the date that is the number of Business Days specified in the relevant Final Terms (or, if the number of Business Days is not so specified, five Business Days) after the Credit Event Determination Date following the satisfaction of all Conditions to Settlement (or, if “Cash Settlement” is applicable pursuant to the Fallback Settlement Method in accordance with Condition 11(d), the date that is the number of Business Days specified in the relevant Final Terms (or, if the number of Business Days is not so specified, five Business Days) following the relevant Auction Cancellation Date, if applicable or the relevant No Auction Announcement Date, if applicable), and

if “Multiple Valuation Dates” is specified in the relevant Final Terms, each of the following dates:

- (A) the date that is the number of Business Days specified in the relevant Final Terms (or, if the number of Business Days is not specified, five Business Days) following the satisfaction of all Conditions to Settlement (or, if “Cash Settlement” is applicable pursuant to the Fallback Settlement Method in accordance with Condition 11(d), the date that is the number of Business Days specified in the relevant Final Terms (or, if the number of Business Days is not so specified, five Business Days) following the relevant Auction Cancellation Date, if applicable or the relevant No Auction Announcement Date, if applicable); and
- (B) each successive date that is the number of Business Days specified in the relevant Final Terms (or, if the number of Business Days is not so specified, five Business Days) after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When “Multiple Valuation Dates” is specified in the relevant Final Terms, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the relevant Final Terms (or, if the number of Valuation Dates is not so specified, five Valuation Dates).

If neither Single Valuation Date nor Multiple Valuation Dates is specified in the relevant Final Terms, Single Valuation Date shall apply.

“Valuation Method”

- (i) The following Valuation Methods may be specified in the relevant Final Terms for a Series with only one Valuation Obligation and only one Valuation Date:
 - (A) **“Market”** means the Market Value determined by the Calculation Agent with respect to the Valuation Date; or
 - (B) **“Highest”** means the highest Quotation obtained by the Calculation Agent with respect to the Valuation Date.

If no such Valuation Method is specified in the relevant Final Terms, the Valuation Method shall be Highest.

- (ii) The following Valuation Methods may be specified in the relevant Final Terms for a Series with only one Valuation Obligation and more than one Valuation Date:
 - (A) “**Average Market**” means the un-weighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or
 - (B) “**Highest**” means the highest Quotation obtained by the Calculation Agent with respect to any Valuation Date; or
 - (C) “**Average Highest**” means the un-weighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.

If no such Valuation Method is specified in the relevant Final Terms, the Valuation Method shall be Average Highest.

- (iii) The following Valuation Methods may be specified in the relevant Final Terms for a Series with more than one Valuation Obligation and only one Valuation Date:
 - (A) “**Blended Market**” means the un-weighted arithmetic mean of the Market Value for each Valuation Obligation determined by the Calculation Agent with respect to the Valuation Date;
 - (B) “**Blended Highest**” means the un-weighted arithmetic mean of the highest Quotations obtained by the Calculation Agent for each Valuation Obligation with respect to the Valuation Date;
 - (C) “**Weighted Blended Market**” means the weighted arithmetic mean of the Market Value for each Valuation Obligation determined by the Calculation Agent with respect to the Valuation Date, such weighting to be made on such terms as the Calculation Agent determines appropriate, which may, without limitation be by reference to hedging arrangements of the Issuer and/or any of its Affiliates in respect of the Notes; or
 - (D) “**Weighted Blended Highest**” means the weighted arithmetic mean of the highest Quotations obtained by the Calculation Agent for each Valuation Obligation with respect to the Valuation Date, such weighting to be made on such terms as the Calculation Agent determines appropriate, which may, without limitation be by reference to hedging arrangements of the Issuer and/or any of its Affiliates in respect of the Notes.

If no such Valuation Method is specified in the relevant Final

Terms, the Valuation Method shall be Blended Highest.

- (iv) The following Valuation Methods may be specified in the relevant Final Terms for a Series with more than one Valuation Obligation and more than one Valuation Date:
- (A) **“Average Blended Market”** means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Market Valuation Method, the un-weighted arithmetic mean of the values so determined with respect to each Valuation Date;
 - (B) **“Average Blended Highest”** means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Highest Valuation Method, the un-weighted arithmetic mean of the values so determined with respect to each Valuation Date;
 - (C) **“Weighted Average Blended Market”** means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Market Valuation Method, the weighted arithmetic mean of the values so determined with respect to each Valuation Date, such weighting to be made on such terms as the Calculation Agent determines appropriate, which may, without limitation be by reference to hedging arrangements of the Issuer and/or any of its Affiliates in respect of the Notes; or
 - (D) **“Weighted Average Blended Highest”** means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Highest Market Valuation Method, the weighted arithmetic mean of the values so determined with respect to each Valuation Date, such weighting to be made on such terms as the Calculation Agent determines appropriate, which may, without limitation be by reference to hedging arrangements of the Issuer and/or any of its Affiliates in respect of the Notes.

If no such Valuation Method is specified in the relevant Final Terms, the Valuation Method shall be Average Blended Highest.

Notwithstanding paragraphs (i) to (iv) above, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market, Average Market, Blended Market or Average Blended Market, as the case may be.

“Valuation Obligation”

means one or more obligations, as selected by the Calculation Agent, provided such obligations(s) are either a Reference Obligation and/or would constitute a Deliverable Obligation as at the Valuation Date (and for the purposes of interpreting the Deliverable Obligation Category and the Deliverable Obligation Characteristics references to “Delivery Date” and “Physical Settlement Date” shall be read and construed as references to the

Valuation Date).

- “Valuation Time”** means the time specified as such in the relevant Final Terms or, if no time is so specified, 11.00 a.m. in the principal trading market for the Valuation Obligation.
- “Voting Shares”** shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.
- “Weighted Average Quotation”** means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an Outstanding Principal Balance of as large a size as available but less than the Quotation Amount (but of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in aggregate are approximately equal to the Quotation Amount.

(q) ***Calculation Agent and Calculation Agent Notices***

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent pursuant to this Condition 11 shall (in the absence of manifest error) be final and binding on the Issuer and the Noteholders. Whenever the Calculation Agent is required to make any determination it may, *inter alia*, decide issues of construction and legal interpretation. In performing its duties pursuant to the Notes, the Calculation Agent shall act in its sole and absolute discretion.

12. Payments

(a) ***Method of Payment***

Subject as provided below:

- (i) payments in a currency other than euro and Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option and responsibility of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Wellington, respectively);
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option and responsibility of the payee, by a euro cheque; and
- (iii) payments in Renminbi will be made by transfer to a Renminbi account maintained by or on behalf of the Noteholder.

All payments are subject in all cases to any fiscal or other regulations applicable thereto (whether by operation of law or agreement of the Issuer or its Agents) and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements.

(b) ***Presentation of Definitive Notes, Receipts and Coupons***

Payments of principal in respect of Bearer Notes represented by Definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Notes, and payments of interest (if any) in respect of Definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Coupon, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of Definitive Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Notes in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Note to which it appertains. Receipts presented without the Definitive Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons failing to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the relevant due date in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 14) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no Coupons will be issued in respect thereof.

Upon the date on which any Definitive Note becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for Coupons shall be made in respect thereof.

If the due date for redemption of any Definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Note.

(c) ***Payments in respect of Global Notes***

Payments of principal and interest (if any) in respect of Bearer Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made on

such Global Note by the Paying Agent to which it was presented or surrendered and such record shall be prima facie evidence that the payment in question has been made.

(d) ***Payments in respect of Registered Notes***

- (i) Payments of principal (which for the purposes of this Condition 12(d) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest (which for the purpose of this Condition 12(d) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of the Clearing System Business Day prior to the due date for payment thereof (the “**Record Date**”). For the purpose of this Condition 12(d), “**DTC business day**” means any day on which DTC is open for business. Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a bank mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency specified by the payee with a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System or, in the case of Renminbi, by transfer to the registered account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth Business Day before the due date for payment and, in the case of Japanese yen, the transfer shall be to a non-resident Japanese yen account with a bank in Japan (in the case of payment to a non-resident of Japan).
- (iii) Payments through DTC: Registered Notes, if specified in the relevant Final Terms, will be issued in the form of one or more Global Certificates and may be registered in the name of, or in the name of a nominee for, DTC. Payments of principal and interest in respect of Registered Notes denominated in U.S. dollars will be made in accordance with (i) and (ii) above. Payments of principal and interest in respect of Registered Notes registered in the name of, or in the name of a Nominee for, DTC and denominated in a Specified Currency other than U.S. dollars will be made or procured to be made by the Fiscal Agent in the Specified Currency in accordance with the following provisions. The amounts in such Specified Currency payable by the Fiscal Agent or its agent to DTC with respect to Registered Notes held by DTC or its nominee will be received from the Issuer by the Fiscal Agent who will make payments in such Specified Currency by wire transfer of same day funds to the designated bank account in such Specified Currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of interest payments, on or prior to the third DTC business day after the Record Date for the relevant payment of interest and, in the case of payments or principal, at least 12 DTC business days prior to the relevant payment date, to receive that payment in such Specified Currency. The Fiscal Agent, after the Exchange Agent has converted amounts in such Specified Currency into U.S. dollars, will cause the Exchange Agent to deliver such U.S. dollar amount in same day funds to DTC for payment through its settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such Specified Currency. The Agency Agreement sets out the manner in which such conversions are to be made.

(e) ***General Provisions Applicable to Payments***

The holder of a Global Note or Global Certificate shall be the only person entitled to receive payments in respect of Notes represented by such Global Note or Global Certificate and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note or Global Certificate in respect of each amount so paid. Each of the persons shown in the records of DTC, Euroclear or Clearstream as the beneficial holder of a particular nominal amount of Notes represented by such Global Note or Global Certificate must look solely to DTC, Euroclear or Clearstream, as the case may be, for his share of each payment so made by, or on behalf of, the Issuer to, or to the order of, the holder of such Global Note or Global Certificate.

Notwithstanding the foregoing provisions of this Condition 12, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars;
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer; and
- (iv) in the case of any payment in respect of a Note represented by a Global Certificate that is denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Global Certificate) has elected to receive part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

(f) ***Payment Day***

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, Payment Day means any day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) the relevant place of presentation; and
 - (B) each Financial Centre specified in the relevant Final Terms; and
- (ii) either (I) in relation to any sum payable in a Specified Currency other than euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payment and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation and any Financial Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Wellington, respectively), (II) in relation to any sum payable in euro, a day on which the TARGET System is operating or (III) in relation to any sum payable in Renminbi, a day (other than a Saturday or a Sunday) on

which commercial banks and foreign exchange markets are open for business and settlement of payments in Renminbi in Hong Kong.

(g) **CNY Currency Event**

If “CNY Currency Event” is specified in the applicable Final Terms and a CNY Currency Event, as determined by the Calculation Agent in its sole and absolute discretion, exists on a date for payment of any amount in respect of any Note, Receipt or Coupon, the Calculation Agent may determine, one or more the following, in its sole and absolute discretion:

- (i) the relevant payment of the Issuer be postponed to 5 Business Days after the date on which the CNY Currency Event ceases to exist or, if that would not be possible (as determined by the Issuer acting in good faith) as soon as reasonably practicable thereafter;
- (ii) that the Issuer’s obligation to make a payment in CNY under the terms of the Notes be replaced by an obligation to pay such amount in the Relevant Currency (converted at the Alternate Settlement Rate determined by the Calculation Agent as of a time selected in good faith by the Calculation Agent); and/or
- (iii) by giving notice to the relevant Noteholders in accordance with Condition 20, the Issuer, in its sole and absolute discretion, may redeem all, but not some only, of the Notes, each Note being redeemed as its Early Redemption Amount.

Upon the occurrence of a CNY Currency Event, the Issuer shall give notice, as soon as practicable, to the Noteholders in accordance with Condition 20 stating the occurrence of the CNY Currency Event, giving brief details thereof and the action proposed to be taken in relation thereto.

For the purpose of this Condition 12(g) and unless stated otherwise in the applicable Final Terms:

“**Alternate Settlement Rate**” means the spot rate between CNY and the Relevant Currency determined by the Calculation Agent, taking into consideration all available information which the Calculation Agent deems relevant (including, but not limited to, the pricing information obtained from the CNY non-deliverable market outside the PRC and/or the CNY exchange market inside the PRC).

“**CNY Currency Events**” means any one of CNY Illiquidity, CNY Non-Transferability and CNY Inconvertibility.

“**CNY Illiquidity**” means the general CNY exchange market in Hong Kong becomes illiquid as a result of which the Issuer and/or any of its Affiliates cannot obtain sufficient CNY in order to make a payment or perform any other of its obligations under the Notes, as determined by the Calculation Agent in good faith and in a commercially reasonable manner.

“**CNY Inconvertibility**” means the occurrence of any event that makes it impossible, impracticable or illegal for the Issuer and/or any of its Affiliates to convert any amount into or from CNY as may be required to be paid by the Issuer under the Notes on any payment date or such other amount as may be determined by the Calculation Agent in its sole and absolute discretion at the general CNY exchange market in Hong Kong, other than where such impossibility, impracticability or illegality is due solely to the failure of that party to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the relevant Series of Notes and it is impossible for the Issuer and/or any of its Affiliates, due to an event beyond the control of the Issuer or the relevant Affiliate, to comply with such law, rule or regulation).

“**CNY Non-Transferability**” means the occurrence of any event that makes it impossible, impracticable or illegal for the Issuer and/or any of its Affiliates to deliver CNY between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including

where the CNY clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility, impracticability or illegality is due solely to the failure of the Issuer and/or the relevant Affiliate to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible for the Issuer and/or any of its Affiliates, due to an event beyond the control of the Issuer and/or the relevant Affiliate, to comply with such law, rule or regulation).

“Governmental Authority” means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong.

“Relevant Currency” means United States dollars, Hong Kong dollars or such other currency as may be specified in the applicable Final Terms.

13. Taxation

All payments of principal and interest in respect of the Notes, Receipts, Coupons and Talons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Netherlands (or any other relevant business jurisdiction of the Issuer) or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders, the Receiptholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon presented for payment:

- (a) in the Netherlands by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Netherlands in respect of such Note by reason of such holder having some connection with the Netherlands other than by reason only of holding such Note or the receipt of the relevant payment in respect thereof;
- (b) in a relevant business jurisdiction of the Issuer (wherein and whereof the Issuer is obliged to withhold tax) by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within such relevant business jurisdiction in respect of such Note by reason of such holder having some connection with that relevant business jurisdiction of the Issuer other than by reason only of holding such Note or the receipt of the relevant payment in respect thereof;
- (c) by or on behalf of a holder thereof who is liable to such taxes or duties in respect of such Note, Receipt or Coupon by reason of such holder having some connection with the Netherlands other than by reason only of the holding of such Note, Receipt or Coupon or the receipt of the relevant payment in respect thereof;
- (d) by or on behalf of a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that a third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note, Receipt or Coupon is presented for payment;
- (e) by or on behalf of a holder on account of any tax, assessment or other governmental charge that would not have been imposed but for a failure by the holder or beneficial owner of the Notes (or any financial institution through which the holder or beneficial owner holds the Notes or through which payment on the Notes is made) to enter into or comply with any

applicable certification, documentation, information or other reporting requirement or agreement concerning United States accounts maintained by the holder or beneficial owner (or any such financial institution), including by reason of holding the Notes, or concerning United States ownership of the holder or beneficial owner (or any such financial institution), or any substantially similar requirement or agreement, if entering into or complying with such requirement or agreement is required by statute or regulation of the United States as a precondition to relief or exemption from such tax, assessment or other governmental charge; or

- (f) where such deduction or withholding is imposed on a payment to an individual and is required to be made pursuant to the European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such mentioned Directive;
- (g) (except in the case of Registered Notes) by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt, Coupon or Talon to another Paying Agent in a Member State not obliged to withhold or deduct tax pursuant to the EC Directive as mentioned under paragraph (v);
- (h) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the expiry of such period of 30 days; or
- (i) if it is provided in the relevant Final Terms that the Notes are “Domestic Notes” for the purpose of this Condition.

References in these Terms and Conditions to (I) “principal” shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Credit Event Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Obligatory Redemption Amounts and/or all other amounts in the nature of principal payable pursuant to Condition 12 or any amendment or supplement to it, (II) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (III) “principal” and/or “interest” shall be deemed to include any additional amounts that may be payable under this Condition.

14. Prescription

Claims against the Issuer for payment of principal or interest in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within five years from the date on which such payment first becomes due.

15. Events of Default

If any of the following events (“**Events of Default**”) occurs, the Noteholder may by written notice to the Issuer at the specified office of the Fiscal Agent and the Issuer declare such Note to be forthwith due and payable, whereupon the Early Redemption Amount of such Note together with accrued interest to (but excluding) the date of payment shall become immediately due and payable, unless such Event of Default shall have been remedied prior to the receipt of such notice by the Issuer:

- (a) default by the Issuer is made for more than 30 days in the payment of interest or principal in respect of any of the Notes; or

- (b) the Issuer fails to perform or observe any of its other obligations pursuant to the Notes and such failure continues for the period of 60 days next following the service on the Issuer of notice requiring the same to be remedied; or
- (c) the Issuer fails in the due repayment of borrowed money which exceeds EUR 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Issuer or the Issuer fails to honour any guarantee or indemnity in excess of EUR 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Issuer provided that in each case no Event of Default shall be deemed to have occurred if the Issuer contests its liability in good faith or has been ordered not to make such payment by a competent court; or
- (d) the Issuer becomes bankrupt, or an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a meeting of the Noteholders) or the Issuer compromises with its creditors generally or such measures are officially decreed; or
- (e) an application is filed for a declaration (which is not revoked within a period of 30 days), or a declaration is made, under Article 3:160 of the Financial Supervision Act (*Wet op het financieel toezicht*), as modified or re-enacted from time to time, of the Netherlands in respect of the Issuer; or
- (f) the Issuer ceases to carry on the whole or a substantial part of its business (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a meeting of the Noteholders).

16. Agents

The Issuing and Paying Agent, the Euroclear Netherlands Fiscal Agent, the Registrar, the Paying Agents, the Transfer Agents, the Exchange Agent and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed on page 349.

The Issuing and Paying Agent, the Euroclear Netherlands Fiscal Agent, the Registrar, the Paying Agents, the Transfer Agents, the Exchange Agent and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder, Receiptholder or Couponholder.

The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, the Euroclear Netherlands Fiscal Agent, the Registrar, any other Paying Agent, any Transfer Agent, the Exchange Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents provided that the Issuer shall at all times maintain:

- (a) an Issuing and Paying Agent;
- (b) a Euroclear Netherlands Fiscal Agent;
- (c) a Registrar in relation to Registered Notes;
- (d) one or more Calculation Agent(s) where the Terms and Conditions so require;
- (e) a Transfer Agent(s) in relation to Registered Notes;
- (f) if and for so long as the Notes are listed on any stock exchange which rules require the appointment of a Paying Agent in any particular place, a Paying Agent having its specified office in the place required by the rules of such stock exchange;

- (g) a Paying Agent in a member state of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; and
- (h) so long as any of the Registered Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City.

The Issuer has appointed BNP Paribas Securities Services, Zurich Branch, Selnaustrasse 16, 8002 Zurich, Switzerland as Paying Agent in Switzerland for Notes listed on the SIX Swiss Exchange.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Notes denominated in U.S. dollars in the circumstances described in Condition 12 or for payment of exchanged amounts under Condition 12(d)(iii) for Notes denominated in Specified Currencies other than U.S. dollars.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

17. Meeting of Noteholders, Modifications and Substitutions

(a) *Meetings of Noteholders*

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Terms and Conditions. Such a meeting may be convened by the Issuer or Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of the Maturity Date or redemption of any of the Notes, any Instalment Date or any date for payment of interest or interest amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any interest amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest is shown in the relevant Final Terms, to reduce any such Minimum and/or Maximum Rate of Interest, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Credit Event Redemption Amount, the Early Redemption Amount, the Obligatory Redemption Amount or the Optional Redemption Amount including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment of the Notes or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or any adjournment of such meeting or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Receiptholders and Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

These Terms and Conditions may be amended by the Issuer (with the agreement, not to be unreasonably withheld, of the Fiscal Agent) (i) for the purposes of curing any ambiguity, or for curing, correcting or supplementing any defective provision contained therein, (ii) in any manner which the Issuer may deem necessary or desirable and which shall not materially adversely affect the interests of the Noteholders, Receiptholders and Couponholders, (iii) correcting any manifest error, or (iv) if the amendment or modification is of a formal, minor or technical nature or is made to comply with mandatory provisions of law, in each case, without the consent of the Noteholder, Receiptholder or Couponholder. Any such amendment or modification shall be binding on the Noteholders, Receiptholders and Couponholders and such amendment or modification shall be notified to the Noteholders in accordance with Condition 20 of the Notes as soon as practicable (but failure to give such notice, or non-receipt thereof, shall not affect the validity of such amendment or modification).

These Terms and Conditions may be amended, modified or varied in relation to any Series by the terms of the relevant Final Terms in relation to such Series.

(b) ***Modification and Amendment of Agency Agreement***

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

The Agency Agreement may be amended by the Issuer and the Fiscal Agent, without the consent of any Paying Agent, the Calculation Agent or any holder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer and the Fiscal Agent may mutually deem necessary or desirable and which does not adversely affect the interests of the holders.

(c) ***Substitution of the Issuer***

(i) The Issuer or any previous substitute of the Issuer under this Condition may, and the Noteholders, Receiptholders and the Couponholders hereby irrevocably agree in advance that the Issuer or any previous substitute of the Issuer under this Condition may without any further prior consent of any Noteholder at any time, substitute any company (incorporated in any country in the world) controlling, controlled by or under common control with, the Issuer as the principal debtor in respect of the Notes or undertake its obligations in respect of the Notes through any of its branches (any such company or branch, the “**Substitute Debtor**”), provided that:

(A) such documents shall be executed by the Substitute Debtor and the Issuer or any previous substitute as aforesaid as may be necessary to give full effect to the substitution (together the “**Documents**”) and (without limiting the generality of the foregoing) pursuant to which the Substitute Debtor shall undertake in favour of each Noteholder to be bound by these Terms and Conditions and the provisions of the Agency Agreement as fully as if the Substitute Debtor had been named in the Notes and the Agency Agreement as the principal debtor in respect of the Notes in place of the Issuer or any previous substitute as aforesaid and pursuant to which the Issuer shall irrevocably and unconditionally guarantee in favour of each Noteholder the payment of all sums payable by the Substitute Debtor as such principal debtor (such guarantee of the Issuer herein referred to as the “**Substitution Guarantee**”);

(B) the Documents shall contain a warranty and representation by the Substitute Debtor and the Issuer that (I) the Substitute Debtor and the Issuer have obtained all necessary governmental and regulatory approvals and consents for such substitution and for the giving by the Issuer of the Substitution Guarantee in respect of the obligations of the

Substitute Debtor, that the Substitute Debtor has obtained all necessary governmental and regulatory approvals and consents for the performance by the Substitute Debtor of its obligations pursuant to the Documents and that all such approvals and consents are in full force and effect and (II) the obligations assumed by the Substitute Debtor and the Substitution Guarantee given by the Issuer are each valid and binding in accordance with their respective terms and enforceable by each Noteholder and that, in the case of the Substitute Debtor undertaking its obligations with respect to the Notes through a branch, the Notes remain the valid and binding obligations of such Substitute Debtor; and

- (C) Condition 15 shall be deemed to be amended so that it shall also be an Event of Default under the said Condition if the Substitution Guarantee shall cease to be valid or binding on or enforceable against the Issuer.
- (ii) Upon the Documents becoming valid and binding obligations of the Substitute Debtor and the Issuer and subject to notice having been given in accordance with paragraph (iv) below, the Substitute Debtor shall be deemed to be named in the Notes and Coupons as the principal debtor in place of the Issuer as issuer (or of any previous substitute under these provisions) and the Notes and Coupons shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents together with the notice referred to in paragraph (iv) below shall, in the case of the substitution of any other company as principal debtor, operate to release the Issuer as issuer (or such previous substitute as aforesaid) from all of its obligations as principal debtor in respect of the Notes and Coupons.
- (iii) The Documents referred to in paragraph (i) above shall be deposited with and held by the Fiscal Agent for so long as any Notes remain outstanding and for so long as any claim made against the Substitute Debtor or the Issuer by any Noteholder, Receiptholder and Couponholder in relation to the Notes or the Documents shall not have been finally adjudicated, settled or discharged. The Substitute Debtor and the Issuer acknowledge the right of every Noteholder to the production of the Documents for the enforcement of any of the Notes, Receipts and Coupons or the Documents.
- (iv) Not later than 15 Business Days after the execution of the Documents, the Substitute Debtor shall give notice thereof to the Noteholders and Euronext Amsterdam in accordance with Condition 20. A supplement to the Base Prospectus concerning the substitution of the Issuer shall be prepared.
- (v) For the purposes of this Condition 17, the term “**control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a company, whether by contract or through the ownership, directly or indirectly, of voting shares in such company which, in the aggregate, entitle the holder thereof to elect a majority of its directors, and includes any company in like relationship to such first-mentioned company, and for this purpose “**voting shares**” means shares in the capital of a company having under ordinary circumstances the right to elect the directors thereof, and “**controlling**”, “**controlled**” and “**under common control**” shall be construed accordingly.

18. Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs

incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

19. Increase and Further Issues

Unless specified otherwise in the relevant Final Terms, the Issuer may, at any time without the consent of the Noteholders, Receiptholders or Couponholders, prior to the Issue Date increase or decrease the aggregate nominal amount of Notes to be issued following the period in which the Notes were offered.

Unless specified otherwise in the relevant Final Terms, the Issuer may at any time without the consent of the Noteholders, Receiptholders or Couponholders create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the issue date, amount and date of the first payment of interest thereon and/or the issue price and so that the same shall be consolidated and form a single Series with the outstanding Notes.

If the Issuer issues further Notes of the same Series during the initial 40-day restricted period applicable to outstanding Notes of such Series, then such 40-day period will be extended until 40 days after the later of the commencement of the offering and the Issue Date of such further issue of Notes.

In addition, if the Issuer issues further Notes of the same Series after the expiration of the 40-day restricted period, a new 40-day restricted period will be applied to such further issue of Notes without applying to the outstanding Notes. After the expiration of the new 40-day restricted period, all such Notes will be consolidated with and form a single Series with the outstanding Notes.

20. Notices

Notices to the holders of Registered Notes, including the Rule 144A Notes, shall be published in accordance with the procedure set out in this Condition for Bearer Notes and shall be mailed to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

All notices regarding Notes will be deemed to be validly given if published (a) on the website of the Issuer and (b) with respect to the Rule 144A Notes, in the Wall Street Journal. With respect to Notes listed or to be listed on the SIX Swiss Exchange, notices will be published in electronic form and in accordance with the respective terms of the SIX Swiss Exchange on www.six-swiss-exchange.com and may also be published on www.raboglobalmarkets.ch (product-related information may be published under 'Products' and notices about the products (e.g. corporate action) under 'News & Markets' on www.raboglobalmarkets.ch). Information about the Issuer may be published on www.rabobank.com under 'Investor relations' and 'Press Room'. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange or another relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any Definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream and/or DTC, be substituted for such publication in such website and/or newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream and/or DTC, for communication by them to the

Noteholders and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or another relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange or another relevant authority.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together with the relevant Note or Notes, with the Fiscal Agent or the Registrar, as the case may be. Whilst any of the Notes are represented by a Global Note, such notice may be given by any accountholder to the Fiscal Agent through Euroclear and/or Clearstream or Euroclear Netherlands or DTC, as the case may be, in such manner as the Fiscal Agent or the Registrar and Euroclear and/or Clearstream or Euroclear Netherlands or DTC, as the case may be, may approve for this purpose.

21. Governing Law and Jurisdiction

(a) *Governing Law*

The Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with the Notes, the Receipts, the Coupons and the Talons are and shall be governed by the laws of the Netherlands.

(b) *Jurisdiction*

The competent courts of Amsterdam, the Netherlands and the United States Federal and New York State courts sitting in New York City, the Borough of Manhattan are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with any Notes, Receipts, Coupons or Talons and, accordingly, any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (including a dispute relating to any non-contractual obligations arising out of or in connection with any Notes, Receipts, Coupon or Talons) (“**Proceedings**”) may be brought in such courts. These submissions are made for the benefit of each of the holders and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction.

(c) *Service of Process*

The Issuer irrevocably appoints its New York branch at 245 Park Avenue, New York, New York 10167 as its agent in New York to receive, for it and on its behalf, service of process in any Proceedings in New York. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in New York City, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 20. Nothing shall affect the right to serve process in any manner permitted by law.

ANNEX I: PRINCIPAL AND INTEREST CALCULATIONS

1. Coupon

“Coupon Mechanism” means the Coupon Mechanism set out below corresponding to the relevant Coupon Mechanism as specified in the relevant Final Terms.

- Coupon Mechanism 1 Interest Amount_(i) = Calculation Amount *
- (1) if a First Coupon Trigger Event **has** occurred in Coupon Observation Period_(i), Coupon Value 1_(i); or
- (2) if a First Coupon Trigger Event has **not** occurred in Coupon Observation Period_(i), 0 or, if specified as applicable in the relevant Final Terms, Coupon Value 2_(i).
- Coupon Mechanism 2 Interest Amount_(i) = Calculation Amount *
- (1) if a First Coupon Trigger Event **has** occurred in Coupon Observation Period_(i), N - NCP; or
- (2) if a First Coupon Trigger Event has **not** occurred in Coupon Observation Period_(i), 0 or, if specified as applicable in the relevant Final Terms, Coupon Value 2_(i).
- Coupon Mechanism 3 Interest Amount_(i) = Calculation Amount *
- {Min[Max (STD(1) * Coupon Value 1_(i) / TOTAL, Coupon Floor_(i)), Coupon Cap_(i)]}
- Coupon Mechanism 4 Interest Amount_(i) = Calculation Amount *
- (1) if a First Coupon Trigger Event has occurred in Coupon Observation Period_(i), (Applicable Rate + Spread); or
- (2) if a First Coupon Trigger Event has **not** occurred in Coupon Observation Period_(i), 0.
- Coupon Mechanism 5 Interest Amount_(i) = Calculation Amount *
- (1) if a First Coupon Trigger Event **has** occurred in Coupon Observation Period_(i), Coupon Value 1_(i) or if a Coupon Trigger Event **has** occurred in any of the previous Coupon Observation Periods, Coupon Value 1_(i); or
- (2) if a First Coupon Trigger Event has **never** occurred, 0 or, if specified as applicable in the relevant Final Terms, Coupon Value 2_(i).
- Coupon Mechanism 6 Interest Amount_(i) = Calculation Amount *
- (1) if a First Coupon Trigger Event **has** occurred and a Second Coupon Trigger Event **has** occurred in Coupon Observation Period, Coupon Value 1_(i); or
- (2) if a First Coupon Trigger Event has **not** occurred and a Second Coupon Trigger

Event **has** occurred in Coupon Observation Period, Coupon Value 2_(i) or,

(3) if both a First Coupon Trigger Event and Second Coupon Trigger Event have **not** occurred in Coupon Observation Period_(i), 0 or, if specified as applicable in the relevant Final Terms, Coupon Value 3_(i).

Coupon Mechanism 7 Interest Amount_(i)= Calculation Amount *

 {Min[Max (STD(2) * Coupon Value 1_(i) / TOTAL, Coupon Floor_(i)), Coupon Cap_(i)]}

Coupon Mechanism 8 Interest Amount_(i)= Calculation Amount *

 {Max[Coupon Value 1_(i), Final Coupon Performance_(i)– Call Strike_(i)]}

For the purposes of these provisions:

“Applicable Rate” means the amount specified as such in the relevant Final Terms.

“Call Strike_(i)” means the level specified as such in the relevant Final Terms.

“Coupon Cap_(i)” means the amount specified as such in the relevant Final Terms, or if specified as “Not Applicable” in the relevant Final Terms, 999,999.99%.

“Coupon Floor_(i)” means the amount specified as such in the relevant Final Terms, or if specified as “Not Applicable” in the relevant Final Terms, – 999,999.99%.

“Coupon Observation Time” means the Scheduled Closing Time unless otherwise specified in the relevant Final Terms.

“Coupon Performance” means the Underlying Performance specified in the relevant Final Terms.

“Coupon Event 1” Trigger means the Coupon Performance has been equal to or greater than Coupon Trigger Level_(i) at the Coupon Observation Time on any Coupon Observation Date in the relevant Coupon Observation Period.

“Coupon Event 2” Trigger means the Coupon Performance has been equal to or less than Coupon Trigger Level_(i) at the Coupon Observation Time on any Coupon Observation Date in the relevant Coupon Observation Period.

“Coupon Event 3” Trigger means the Coupon Performance has been greater than Coupon Trigger Level_(i) at the Coupon Observation Time on any Coupon Observation Date in the relevant Coupon Observation Period.

“Coupon Event 4” Trigger means the Coupon Performance has less than Coupon Trigger Level_(i) at the Coupon Observation Time on any Coupon Observation Date in the relevant Coupon Observation Period.

“Coupon Event 5” Trigger means the Coupon Performance has been greater than Coupon Trigger Level 2_(i) at the Coupon Observation Time on any Coupon Observation Date in the relevant Coupon Observation Period.

“Coupon Event 6” Trigger means the Coupon Performance has been less than Coupon Trigger Level 2_(i) at the Coupon Observation Time on any Coupon Observation Date in the relevant Coupon

Observation Period.

“Coupon Event 7”	Trigger	means the Coupon Performance has been equal to or less than Coupon Trigger Level 2 _(i) at the Coupon Observation Time on any Coupon Observation Date in the relevant Coupon Observation Period.
“Coupon Event 8”	Trigger	means the Coupon Performance has been equal to or less than Coupon Trigger Level 2 _(i) at the Coupon Observation Time on any Coupon Observation Date in the relevant Coupon Observation Period.
“Coupon Level_(i)”	Trigger	means the level specified as such in the relevant Final Terms.
“Coupon Trigger 2 Level_(i)”		means the level specified as such in the relevant Final Terms.
“Coupon Value 1_(i)”		means the value specified as such in the relevant Final Terms.
“Coupon Value 2_(i)”		means the value specified as such in the relevant Final Terms, if applicable.
“Coupon Value 3_(i)”		means the value specified as such in the relevant Final Terms, if applicable.
“Final Performance”	Coupon	means the Coupon Performance on the relevant Coupon Observation Time on the Coupon Observation Date in the relevant Coupon Observation Period.
“First Trigger Event”	Coupon	means, if specified as applicable in the relevant Final Terms, the occurrence of (i) Coupon Trigger Event 1, (ii) Coupon Trigger Event 2, (iii) Coupon Trigger Event 3 or (iv) Coupon Trigger Event 4
“Lower Level”	Coupon	means the amount specified as such in the relevant Final Terms.
“N”		means, with respect to Coupon Observation Date _(i) , the sum of each Coupon Value 1 _(i) scheduled to be paid on a Specified Interest Payment Date falling during the period from (and including) the Trade Date to (and including) such Coupon Observation Date _(i) .
“NCP”		means, with respect to Coupon Observation Date _(i) , the sum of each Coupon Value 1 _(i) paid from (and including) the Trade Date to (but excluding) such Coupon Observation Date _(i) .
“Obligatory Redemption Event Date”	Trigger	means the Obligatory Redemption Observation Date _(i) on which the Obligatory Redemption Trigger Event occurs
“Second Coupon Trigger Event”		means, if specified as applicable in the relevant Final Terms, the occurrence of (i) Coupon Trigger Event 5, (ii) Coupon Trigger Event 6, (iii) Coupon Trigger Event 7 or (iv) Coupon Trigger Event 8
“STD(1)”		means the number of Scheduled Trading Days during Coupon Observation Period _(i) where the Coupon Performance in respect of such Scheduled Trading Day is (i) where a Lower Coupon Level is specified in the relevant Final Terms but Upper Coupon Level is not applicable, greater than or equal to the Lower Coupon Level; (ii) where a Upper Coupon Level is specified in the relevant Final Terms but Lower Coupon Level is not applicable, less than or equal to the Upper Coupon Level; or

(iii) where both Lower Coupon Level and Upper Coupon Level are specified in the relevant Final Terms, greater than or equal to the Lower Coupon Level and less than or equal to the Upper Coupon Level.

“STD(2)”

means,

- (a) if Obligatory Redemption Trigger Event **has** occurred, the number of Scheduled Trading Days during the period from (and including) the first day of Coupon Observation Period to (and including) the Obligatory Redemption Trigger Event Date where the Coupon Performance_(i) in respect of such Scheduled Trading Day is equal to or greater than the Lower Coupon Level; or
- (b) if Obligatory Redemption Trigger Event **has not** occurred, the number of Scheduled Trading Days during Coupon Observation Period_(i) where the Coupon Performance in respect of such Scheduled Trading Day is equal to or greater than the Lower Coupon Level

“TOTAL”

means the total number of Scheduled Trading Days in the relevant Coupon Observation Period.

“Upper Coupon Level”

means the amount specified as such in the relevant Final Terms.

2. Obligatory Redemption

“Obligatory Redemption Mechanism”

means the Obligatory Redemption Mechanism set out below corresponding to the relevant Obligatory Redemption Mechanism as specified in the relevant Final Terms.

Obligatory Redemption Mechanism 1

Obligatory Redemption Amount = Calculation Amount * Obligatory Redemption Value_(i)

Obligatory Redemption Mechanism 2

Obligatory Redemption Amount = Calculation Amount * {Obligatory Principal Redemption Value_(i) + Max[Obligatory Redemption Value_(i); Min [Obligatory Redemption Cap_(i), Obligatory Redemption Gearing_(i) x (Final Obligatory Redemption Performance - Obligatory Redemption Strike_(i))]}

Obligatory Redemption Mechanism 3

Obligatory Redemption Amount = Calculation Amount * {Obligatory Principal Redemption Value_(i) + Max[Obligatory Redemption Value_(i) + Coupon Value 1_(i); Obligatory Redemption Gearing_(i) x (Final Obligatory Redemption Performance - Obligatory Redemption Strike_(i))] – Coupon Value 1_(i)}

For the purposes of these provisions:

“Final Obligatory Redemption Performance”

means Obligatory Redemption Performance at the Obligatory Redemption Observation Time on the Obligatory Redemption Observation Date in the relevant Obligatory Redemption Observation Period in respect of which the Obligatory Redemption Trigger Event occurs.

“Obligatory Principal Redemption Value_(i)”

means the amount or percentage specified in the relevant Final Terms.

“Obligatory Redemption Value_(i)”	means the amount or percentage specified as such in the Final Terms.
“Obligatory Redemption Performance”	means the Underlying Performance specified in the relevant Final Terms.
“Obligatory Redemption Observation Time”	means the Scheduled Closing Time unless otherwise specified in the relevant Final Terms.
“Obligatory Redemption Trigger Event_(i)”	means, if specified as applicable in the relevant Final Terms, the occurrence of (i) Trigger Event 1, (ii) Trigger Event 2, (iii) Trigger Event 3, (iv) Trigger Event 4; (v) Trigger Event 5, (vi) Trigger Event 6, (vii) Trigger Event 7 or (viii) Trigger Event 8
“Trigger Event 1”	means the Obligatory Redemption Performance has been equal to or greater than the Obligatory Redemption Trigger Level _(i) at the Obligatory Redemption Observation Time on any Obligatory Redemption Observation Date _(i) in the relevant Obligatory Redemption Observation Period _(i) .
“Trigger Event 2”	means the Obligatory Redemption Performance has been equal to or less than the Obligatory Redemption Trigger Level _(i) at the Obligatory Redemption Observation Time on any Obligatory Redemption Observation Date _(i) in the relevant Obligatory Redemption Observation Period _(i) .
“Trigger Event 3”	means the Obligatory Redemption Performance has been greater than the Obligatory Redemption Trigger Level _(i) at the Obligatory Redemption Observation Time on any Obligatory Redemption Observation Date _(i) in the relevant Obligatory Redemption Observation Period _(i) .
“Trigger Event 4”	means the Obligatory Redemption Performance has been less than the Obligatory Redemption Trigger Level _(i) at the Obligatory Redemption Observation Time on any Obligatory Redemption Observation Date _(i) in the relevant Obligatory Redemption Observation Period _(i) .
“Trigger Event 5”	means the Obligatory Redemption Performance has been greater than the Obligatory Redemption Trigger Level _(i) at the Obligatory Redemption Observation Time on the Obligatory Redemption Trigger Specified Number of Days in the relevant Obligatory Redemption Observation Period _(i) .
“Trigger Event 6”	means the Obligatory Redemption Performance has been less than the Obligatory Redemption Trigger Level _(i) at the Obligatory Redemption Observation Time on the Obligatory Redemption Trigger Specified Number of Days in the relevant Obligatory Redemption Observation Period _(i) .
“Trigger Event 7”	means the Obligatory Redemption Performance has been less than its Obligatory Redemption Trigger Level _(i) at the Obligatory Redemption Observation Time on all Obligatory Redemption Observation Dates in the relevant Obligatory Redemption Observation Period _(i) .

“ Trigger Event 8 ”	means the Obligatory Redemption Performance been greater than its Obligatory Redemption Trigger Level _(i) at the Obligatory Redemption Observation Time on all Obligatory Redemption Observation Dates in the relevant Obligatory Redemption Observation Period _(i) .
“ Obligatory Redemption Trigger Level_(i) ”	means the level specified as such in the relevant Final Terms.
“ Obligatory Redemption Trigger Specified Number of Days ”	means the number of Obligatory Redemption Observation Dates specified as such in the relevant Final Terms and if “consecutive” is specified in the relevant Final Terms, then such consecutive number of Obligatory Redemption Observation Dates.
“ Obligatory Redemption Strike_(i) ”	means the amount specified as such in the relevant Final Terms.
“ Obligatory Redemption Cap_(i) ”	means the amount specified as such in the relevant Final Terms, , or if specified as “Not Applicable” in the relevant Final Terms, 999,999.99%.
“ Obligatory Redemption Gearing_(i) ”	means the amount specified as such in the relevant Final Terms, or if specified as “Not Applicable” in the relevant Final Terms, 0%.

3. Final Redemption Amount

“ Final Redemption Mechanism ”	means the Final Redemption Mechanism set out below corresponding to the relevant Final Redemption Mechanism as specified in the relevant Final Terms:
Final Redemption Mechanism 1	<p>Final Redemption Amount = Calculation Amount *</p> <p>(1) if a Final Redemption Barrier Breach Event has not occurred, Final Redemption Value; or</p> <p>(2) if a Final Redemption Barrier Breach Event has occurred, Final Redemption Value + [FR_Strike_1 - Final Redemption Performance].</p> <p>Provided that if Physical Delivery has been specified as being applicable in the relevant Final Terms, the Asset Amount shall be calculated in accordance with the provisions set out in the relevant Final Terms.</p>
Final Redemption Mechanism 2	<p>Final Redemption Amount = Calculation Amount *</p> <p>(1) if a Final Redemption Barrier Breach Event has not occurred, Final Redemption Value + Max(FR_Bonus_1, Min(FR_Cap_1, FR_Gearing_1 x [Final Redemption Performance - FR_Strike_1])) + Max(FR_Bonus_2, Min(FR_Cap_2, FR_Gearing_2 x [FR_Strike_2 - Final Redemption Performance])); or</p> <p>(2) if a Final Redemption Barrier Breach Event has occurred, Final Redemption Value + Max(FR_Bonus_3 , Min(FR_Cap_3 , FR_Gearing_3 x [Final Redemption Performance - FR_Strike_3])) - Max(FR_Bonus_4 , Min(FR_Cap_4 , FR_Gearing_4 x [FR_Strike_4 - Final Redemption Performance])).</p> <p>Provided that if Physical Delivery has been specified as being applicable in the</p>

relevant Final Terms, the Asset Amount shall be calculated in accordance with the provisions set out in the relevant Final Terms

Final Redemption
Mechanism 3

Final Redemption Amount =

Calculation Amount * {Final Redemption Value + $\text{frod}/\text{FROD} \times \text{FR_Gearing_1} \times \text{Max}(\text{FR_Bonus_1}, \text{Min}(\text{FR_Cap_1}, [\text{Final Redemption Performance} - \text{FR_Strike_1}]))\}$

Final Redemption
Mechanism 4

Final Redemption Amount =

(1) if a Final Redemption Barrier Breach Event has **not** occurred, Calculation Amount * {Final Redemption Value + $\text{Max}(\text{FR_Bonus_1}, \text{Min}(\text{FR_Cap_1}, \text{FR_Gearing_1} \times [\text{Final Redemption Performance} - \text{FR_Strike_1}])) + \text{Max}(\text{FR_Bonus_2}, \text{Min}(\text{FR_Cap_2}, \text{FR_Gearing_2} \times [\text{FR_Strike_2} - \text{Final Redemption Performance}]))\}$; or

(2) if a Final Redemption Barrier Breach Event **has** occurred AND

(a) if Final Redemption Performance is equal to or greater than FR_Strike_4 , Calculation Amount * {Final Redemption Value + $\text{Max}(\text{FR_Bonus_3}, \text{Min}(\text{FR_Cap_3}, \text{FR_Gearing_3} \times [\text{Final Redemption Performance} - \text{FR_Strike_3}])) - \text{Max}(\text{FR_Bonus_4}, \text{Min}(\text{FR_Cap_4}, \text{FR_Gearing_4} \times [\text{FR_Strike_4} - \text{Final Redemption Performance}]))\}$; or

(b) if Final Redemption Performance is less than FR_Strike_4 , by Physical Delivery of the Asset Amount.

For the purposes of these provisions:

“Breach Event 1”

means the Final Redemption Barrier Performance has been less than the Final Redemption Barrier Level at the Final Redemption Barrier Observation Time on any Final Redemption Barrier Observation Date(s) in the relevant Final Redemption Barrier Observation Period.

“Breach Event 2”

means the Final Redemption Barrier Performance has been greater than the Final Redemption Barrier Level at the Final Redemption Barrier Observation Time on any Final Redemption Barrier Observation Date(s) in the relevant Final Redemption Barrier Observation Period.

“Breach Event 3”

means the Final Redemption Barrier Performance has been equal to or less than the Final Redemption Barrier Level at the Final Redemption Barrier Observation Time on any Final Redemption Barrier Observation Date(s) in the relevant Final Redemption Barrier Observation Period.

“Breach Event 4”

means the Final Redemption Barrier Performance has been equal to or greater than the Final Redemption Barrier Level at the Final Redemption Barrier Observation Time on any Final Redemption Barrier Observation Date(s) in the relevant Final Redemption Barrier Observation Period.

“Final Redemption Performance”

means the Underlying Performance as specified in the relevant Final Terms, at the Valuation Time on the Valuation Date, or as otherwise specified in the Final Terms.

“Final Redemption

means the Underlying Performance as specified in the relevant Final Terms.

Barrier Performance”

“Final Redemption Barrier Breach Event”	means, if specified as applicable in the relevant Final Terms, the occurrence of (i) Breach Event 1, (ii) Breach Event 2, (iii) Breach Event 3 or (iv) Breach Event 4.
“Final Redemption Barrier Observation Period”	means the period specified as such in the relevant Final Terms. For the avoidance of doubt, the Final Redemption Observation Period can comprise a single Scheduled Trading Day or Exchange Business Day, as the case may be.
“Final Redemption Barrier Observation Date(s)”	means the date or dates specified as such in the relevant Final Terms.
“Final Redemption Barrier Observation Time”	means the time specified as such in the relevant Final Terms.
“Final Redemption Barrier Level”	means the level specified as such in the relevant Final Terms.
“Final Redemption Value”	means, the amount or percentage specified as such in the relevant Final Terms.
“FR_Bonus_1”	means the amount specified as such in the relevant Final Terms, or if specified as “Not Applicable” in the relevant Final Terms, – 999,999.99%.
“FR_Bonus_2”	means the amount specified as such in the relevant Final Terms, or if specified as “Not Applicable” in the relevant Final Terms, – 999,999.99%.
“FR_Bonus_3”	means the amount specified as such in the relevant Final Terms, or if specified as “Not Applicable” in the relevant Final Terms, – 999,999.99%.
“FR_Bonus_4”	means the amount specified as such in the relevant Final Terms, or if specified as “Not Applicable” in the relevant Final Terms, – 999,999.99%.
“FR_Cap_1”	means the amount specified as such in the relevant Final Terms, or if specified as “Not Applicable” in the relevant Final Terms, 999,999.99%.
“FR_Cap_2”	means the amount specified as such in the relevant Final Terms, or if specified as “Not Applicable” in the relevant Final Terms, 999,999.99%.
“FR_Cap_3”	means the amount specified as such in the relevant Final Terms, or if specified as “Not Applicable” in the relevant Final Terms, 999,999.99%.
“FR_Cap_4”	means the amount specified as such in the relevant Final Terms, or if specified as “Not Applicable” in the relevant Final Terms, 999,999.99%.
“FR_Gearing_1”	means the amount specified as such in the relevant Final Terms, or if specified as “Not Applicable” in the relevant Final Terms, 0%.
“FR_Gearing_2”	means the amount specified as such in the relevant Final Terms, or if specified as “Not Applicable” in the relevant Final Terms, 0%.
“FR_Gearing_3”	means the amount specified as such in the relevant Final Terms, or if specified as “Not Applicable” in the relevant Final Terms, 0%.

“FR_Gearing_4”	means the amount specified as such in the relevant Final Terms, or if specified as “Not Applicable” in the relevant Final Terms, 0%.
“FR_Strike_1”	means the amount specified as such in the relevant Final Terms, or if specified as “Not Applicable” in the relevant Final Terms, 100%.
“FR_Strike_2”	means the amount specified as such in the relevant Final Terms, or if specified as “Not Applicable” in the relevant Final Terms, 100%.
“FR_Strike_3”	means the amount specified as such in the relevant Final Terms, or if specified as “Not Applicable” in the relevant Final Terms, 100%.
“FR_Strike_4”	means the amount specified as such in the relevant Final Terms, or if specified as “Not Applicable” in the relevant Final Terms, 100%.
“frod”	means, in respect of each Final Redemption Barrier Date(<i>j</i>), the number of Final Redemption Barrier Dates where Final Redemption Barrier Performance is greater than the Final Redemption Barrier Level.
“FROD”	means the total number of Final Redemption Observation Barrier Dates.
“Spread”	means the amount specified as such in the relevant Final Terms.
“Trigger”	means the amount specified as such in the relevant Final Terms.

4. Definitions

“Basket”	<p>means an amount, expressed as a percentage, determined in accordance with the following formula:</p> $\sum \{j=1 \text{ to } N\} [W_{(j)} * \text{Underlying Level}_{(j)} / \text{Initial Level}_{(j)}]$ <p><i>(where “W_(j)” means the weight of the Underlying_(j), and where “j” corresponds to an Underlying)</i></p>
“Best Of”:	<p>means an amount, expressed as a percentage, determined in accordance with the following formula:</p> $[\text{Underlying Level}_{(j)} / \text{Initial Level}_{(j)}]$ <p><i>(where “j” corresponds to the Best Performer)</i></p>
“Best Performer”	<p>means the Underlying determined by reference to the following formula:</p> $\text{MAX} \{j=1 \text{ to } N\} [\text{Underlying Level}_{(j)} / \text{Initial Level}_{(j)}]$ <p>provided that, if the above formula yields the same number with respect to two or more of the Underlyings, the Calculation Agent shall determine the Best Performer in its sole and absolute discretion.</p> <p><i>(where “j” corresponds to an Underlying)</i></p>
“N”	means the number of Underlyings as specified in the relevant Final Terms.
““n” th	means, for each Underlying (<i>j</i> =1 to <i>N</i>) calculated as follows:

Performer”

[Underlying Level_(j)/ Initial Level], then ranked in order from the highest to the lowest and the “nth” Performer shall be the Underlying ranked “n”th in such order

provided that, if the above formula yields the same number with respect to two or more of the Underlyings, the Calculation Agent shall determine the “nth” Performer in its sole and absolute discretion.

(where “n” is the number specified in the relevant Final Terms)

““n” th Worst of”

means an amount, expressed as a percentage, determined in accordance with the following formula:

$$[\text{Underlying Level}_{(j)} / \text{Underlying Initial}_{(j)}]$$

(where “j” corresponds to the “nth” Worst Performer)

“Specific”

means an amount, expressed as a percentage, determined in accordance with the following formula:

$$[\text{Underlying Level}_{(j)} / \text{Initial Level}_{(j)}]$$

(where Underlying is as specified in the relevant Final Terms and “j” corresponds to such Underlying)

“Underlying Level_(j)”

means the level of the Underlying determined at the relevant time and relevant date in accordance with the relevant trigger events; or, if Averaging Dates are specified as applicable in the relevant Final Terms, the arithmetic average of the levels of the Underlying determined at the relevant times on the relevant Averaging Dates.

“Underlying Performance”

means, if specified as applicable in the relevant Final Terms, (i) Basket, (ii) Best of, (iii) Worst of, (iv) Specific or (iv) “nth” Worst of.

“Underlying_(j)”

means the underlying specified as such in the relevant Final Terms.

“Worst Of”

means an amount, expressed as a percentage, determined in accordance with the following formula:

$$[\text{Underlying Level}_{(j)} / \text{Initial Level}_{(j)}]$$

provided that, if the above formula yields the same number with respect to two or more of the Underlyings, the Calculation Agent shall determine the Worst Performer in its sole and absolute discretion.

(where “j” corresponds to the Worst Performer)

“Worst Performer”

means the Underlying determined by reference to the following formula:

$$\text{MIN}\{j=1 \text{ to } N\} [\text{Underlying Level}_{(j)} / \text{Initial Level}_{(j)}]$$

(where “j” corresponds to an Underlying)

RABOBANK PROPRIETARY INDICES

RABOBANK SUSTAINABLE ENERGY INDEX

1. Introduction

The Rabobank Sustainable Energy Index (the “Index”) tracks the performance of companies that are active in the sustainable energy business. The global index comprises companies which have their biggest share of revenues in either or several of the following investment clusters: Renewable Energy, Distributed Energy and Energy Efficiency. The index members are the 20 largest stocks from the list of eligible companies.

The Index was launched on 1 July 2010. The selection of the index constituents is conducted by SAM Indexes – a wholly-owned subsidiary of SAM Group – following a rules-based process. Dow Jones Indexes is responsible for the index calculation and maintenance.

Four versions of the “Index” are available as follows:

Rabobank Sustainable Energy Net Return Index in EUR (RSENRRER)

Rabobank Sustainable Energy Price Index in EUR (RSENRE)

Rabobank Sustainable Energy Net Return Index in USD (RSENDR)

Rabobank Sustainable Energy Price Index in USD (RSENRD)

2. Periodic Review

2.1 Review Dates

Semi-Annual Review:

The composition of the Index is reviewed on a semi-annual basis. The resulting changes (i.e. additions and deletions) to the Index are implemented after the closing on the third Friday in March and September and are effective on the next trading day.

To ensure that the Index is always accurate and is calculated with the most up-to-date constituent data, the component data (i.e. weighting factor) of the Index is reviewed on a semi-annual basis. The resulting changes to the index are implemented after the closing on the third Friday in March and September and are effective the next trading day.

In addition to the update of weighting factors as described above, Initial Public Offerings (IPO) in the six months preceding the upcoming semi-annual review month are reviewed for addition to the Index.

An IPO qualifies for addition if it fulfils all the Index investment universe and Index selection criteria described in paragraph 2.2.

2.2 Investment Universe

The Index investment universe, i.e. stocks that are eligible for inclusion (the “Index Investment Universe”), is reviewed semi-annually in March and September. It comprises all stocks that:

(1) are included in the Dow Jones Global Total Stock Market Index;

(2) are listed on an exchange covered by Rabobank in Europe, the US, Latin America or Asia (the “Selected Stock Exchanges”)¹;

(3) have their highest revenue share in one or several of the following three investment clusters: Renewable Energy, Distributed Energy, Energy Efficiency;

(4) have a minimum free float market capitalization of USD 100 million; and

(5) have a minimum first quartile liquidity over the previous six months of USD 500,000.

2.3 Investment Cluster Classification

Every stock in the Index Investment Universe is classified according to its highest revenue share into one of the following three investment clusters: Renewable Energy, Distributed Energy, Energy Efficiency.

2.4 Selection

Starting from the Index Investment Universe, the components of the Index are selected based on the following steps:

Free Float Market Capitalization Ranking:

Each stock in the Index Investment Universe is ranked from highest to the lowest according to its end-of-day free float market capitalization on the last trading day of the month prior to the semi-annual review month (the market cap review date), i.e., the last trading day of February or August. For example, if there are twenty stocks in the Index Investment Universe, the smallest cap stock will be assigned a score of ‘1’ while the largest cap stock will be assigned a score of ‘20’.

Liquidity Ranking:

Each stock in the Index Investment Universe is ranked from highest to lowest according to its first quartile liquidity (as defined in 4.5) over the previous 6 months prior to the semi-annual review month (the liquidity review date), i.e. the last trading day of February or August.

Initial Selection:

The 20 highest scoring stocks according to their score are selected as components of the Index subject to the Diversification Rule.

The score is the arithmetic average at time for each stock of its Free Float Market Capitalization Rank and the Liquidity Rank. In the event of a tie, the stock with the highest Liquidity Rank will be ranked above the other stock(s) with the same score.

Diversification Rule:

Each of the three identified investment clusters will have a minimum of 2 highest scoring stocks. Such limits will not change through time except by a decision of the Index Committee in its absolute discretion. Such decision might be due to, but not limited to, a change in the number of clusters or a change in the number of stocks in the index, or if there are not enough stocks in the Index Investment Universe for an investment cluster.

¹ The investment universe currently comprises stocks from the following exchanges: SGX Singapore, TSE Tokyo, SEHK Hong Kong, KSE Korea, ASX Sydney, KLCI Kuala Lumpur, TSEC Taiwan, JSE Johannesburg, VIRTX + SE Zurich, ENXTAM Amsterdam, OSE Oslo, CSE Copenhagen, SAX Stockholm, SIBE + MSE Madrid, BI Affari Italy, Euronext L Lisbon, XETRA Vienna, Euronext B Brussels, HESE Helsinki, TSE Toronto, XETRA Frankfurt, Euronext P Paris, LSE London, AMEX, NSDQ Nasdaq, NYSE New York.

In addition to the rule that all investment clusters be represented in the index, stocks that pass the initial selection and comply with the diversification rule are submitted by SAM to a Media and Stakeholder Analysis (MSA).

MSA Helps to verify a company's involvement and management of critical economic, social and environmental issues or crisis situations (covers issues such as economic crime, illicit commercial practises, human right issues, workforce conflicts, large disasters or accidents).

MSA is performed with the assistance of information provided by specialised SAM Analysts who remain in regular contact with companies, as well as information from RepRisk®, an advanced monitoring tool to filter out potential reputational risk.

Any findings that could make the stock unsuitable as an index component will be collected and, the SAM analyst for that sector decides as to the severity of the issue as well as the course of action. Should the SAM Analysts decide to disregard the respective stock, the next best ranked stock will be considered and the process reiterated until a suitable index component has been identified.

Any findings that could make the stock unsuitable as an index component will be collected and, the SAM analyst for that sector decides as to the severity of the issue as well as the course of action. Should the outcome of the MSA make the respective stock ineligible, the next best ranked stock will be considered and the process reiterated until a suitable index component has been identified.

2.5 Weighting factors

To ensure that all stocks in the index are appropriately weighted and these changes are subsequently reflected in the resulting component weights, the weighting factors for each stock in the Index are calculated on a semi-annual basis.

The calculation of the weighting factors is described in section 4.5.

2.6 The Index Committee

The Sustainable Energy Index Committee (the "Index Committee") will be composed of not less than three members. The Index Committee comprises at least two Rabobank professionals with extensive experience in financial markets and one SAM professional with expertise in Sustainability Investment.

The Index Committee will meet semi-annually, either in person or via teleconference, to discuss index issues and organize the semi-annual rebalancing.

The Index Committee, in its absolute discretion, may revise index policy (if required) or may modify selection criteria in the event that less than 20 stocks qualify for inclusion in the indices. All Index Committee discussions are confidential and any release of rebalancing information will be made known to all investors at the same time. The Index Committee also has the right to add or remove any of the elements mentioned in 2.2 (2) (Selected Stock Exchanges).

The Sustainable Energy Index Committee is responsible for:

- Auditing the index composition at the semi-annual reviews
- Ongoing review of all extraordinary corporate actions for possible changes to the Index composition
- Verifying the integrity of input price, currency rate and other related market data
- Deciding on the composition and accuracy of the Rabobank Sustainable Energy Index.

In particular, the Index Committee is solely responsible for all changes to the index methodology, which is detailed in the current Rabobank Sustainable Energy Index Guidebook.

All new indexes and changes to the index composition and methodology will be announced – with a sufficient notification period – before they become effective.

2.7 Role of parties

SAM will submit to Rabobank the index components before the Index Committee.

The Index Committee will meet on the first week of the rebalancing month and shall approve or reject the index constituents.

No later than the first Friday, the Index Committee, or its designee, will submit to the Calculation Agent the Index components.

The Calculation Agent will provide final share weights to the Index Committee, or its designee on the Wednesday preceding the second Friday of the rebalancing month.

The Index Committee, or its designee will approve the final share weights no later than the second Friday of the rebalancing month.

3. Ongoing Maintenance

In addition to the periodic reviews, the Index is also continually reviewed for corporate events – e.g. mergers, takeovers, spin-offs, de-listings and bankruptcy – affecting the Index components.

3.1 Stock Deletion

For all corporate events that result in a stock deletion from the Index the leaving stock will not be replaced. The Index will be calculated with less than 20 constituents until the next semi-annual review.

3.2 Changes due to Spin-Offs

If an Index component is split to form two or more companies, the following rules apply:

If the original stock is going to be de-listed after the spin-off, the original stock will be replaced by the eligible spun-off stock or will not be replaced according to the rules set forth in section 3.1 above.

Otherwise the original stock will remain in the index with a price adjustment and the spun-off stock will be added as an additional component with a weight factor based on the terms of the spin-off.

The deletion and addition of a component due to a spin-off is effective according to Dow Jones standards.

3.3 Changes due to Mergers & Takeovers

Component & component:

If two or more Index components merge or one Index component takes over another or several Index components, the resulting stock is included in the Index unless it no longer qualifies for the Index. The original components are deleted.

Deleted components due to a merger or takeover are not replaced according to section 3.1 above.

The deletion and replacement of any components due to a merger or take-over are effective according to Dow Jones standards.

Component & non-component:

If an Index component merges with or takes over a non-component, the following rules apply:

If the newly formed company qualifies for the Index by fulfilling all Index Investment Universe and Index component selection criteria as described under section 2, then its stock is included in the Index with the same weight as the original stock.

If the newly formed company does not qualify for the Index, the original company's stock is replaced according to section 3.1 above.

The deletion and replacement of any components due to a merger or take-over are effective according to Dow Jones standards.

3.4 Changes due to number of shares and/or free float factors

Changes to the number of shares and/or the free float factors in-between reviews do not affect the weighting factors.

3.5 Changes due to Illiquidity

Stocks that are illiquid for the following reasons are considered for deletion from the "Index":

- 10 consecutive non-trading days
- Suspension from trading
- Ongoing bankruptcy proceedings

The deleted component is not replaced according to section 3.1 above.

The changes to the composition of the "Index" due to illiquidity of a component are implemented according to Dow Jones standards.

3.6 Changes due to Delisting

Index components that are to be de-listed for reasons that have not already been described, will be deleted from the "Index". The deleted component is not replaced according to section 3.1 above.

The changes to the composition of the "Index" due to delisting of a component are implemented according to Dow Jones standards.

4. Index Features & Data Dissemination

4.1 History and Index Value

The Index was launched on 1 July 2010.

Historical index values are available since 31 March 2005; the index value started with 1000.00 on launch date.

4.2 Stock Prices

The stock prices used to calculate the index are:

The opening price: the first traded price during the official trading hours of the stock's trading system; until this is available, the previous day's closing/ adjusted price is used;

The intraday price: the currently traded price during the official trading hours of the stock's trading system. As long as the stock is not traded, the last available stock price will be used.

This could either be the last available intraday stock price (e.g. if the stock is temporarily suspended) or the last available closing/ adjusted price (e.g. if the stock exchange is closed)

The closing price: the last traded price or auction price during the official trading hours of the stock's trading system. If the stock has not been traded all day, then the previous day's closing/ adjusted price is used

The adjusted price: the closing price is adjusted to reflect a stock's corporate action effective the next trading day

4.3 Currency Rates

The applicable closing currency rate for the calculation of the closing index values are the official fixed foreign exchange rates at 16:00 hrs. London time as provided by WM Company.

4.4 Dividend Treatment

The Index is available as both a net return index (Rabobank Sustainable Energy Net Return Index, all regular dividends are re-invested proportionately across the index constituents) and a price index (Rabobank Sustainable Energy Price Index, only extraordinary or special cash dividends of stock's previous day's closing price or dividends from non-operating income are re-invested in the respective stock).

Dividend payments are included as net-of-tax dividends according to Dow Jones standards, meaning the dividend amount received after deduction of withholding taxes

(www.djindexes.com/mdsidx/downloads/withholding_tax.pdf).

4.5 Weighting Factors

On each semi-annual review date the weightings of the components of the "Index" are obtained by calculating a weighting factor for each constituent based on free float market capitalization and first quartile liquidity over the preceding six months.

The weighting factor for each constituent is calculated two days prior to its implementation.

It is calculated as follows:

$$\text{Weight Factor}_i = \frac{1,000,000 * \text{Target Weight}_i}{\text{Price USD}_i}$$

$$\text{Target Weight}_i = \frac{\frac{M_{it} \pm L_{it}}{\sum_{i=1}^{20} M_{it} \sum_{i=1}^{20} L_{it}}}{2}$$

With

PriceUSD _i	= price of stock i calculated in USD
M _{it}	= Free Float Market Cap Value of stock i at time t and
L _{it}	= First Quartile Liquidity Value for stock i observed over the preceding six months to time t. The Liquidity Value at time j previous to time t is equal to:
	Price _{ij} * Trading Volume _{ij} * FX _{ij}

With

Price _{ij}	= closing price of stock i at time j as defined in 4.2
Trading Volume _{ij}	= the cumulative number of stock i traded on day j
FX _{ij}	= the Currency Rates as defined in 4.3

Another weight factor (cap factor) is applied for index components with a weight above **12%**. This additional weight factor caps the component weight to the thresholds mentioned above.

4.6 Index Divisors

Index divisors for the “Index” are adjusted to maintain the continuity of the index’s values across changes due to corporate actions and/or changes in the composition of the index.

4.7 Index Dissemination

The index dissemination calendar is determined by Dow Jones Indexes according to its standards (www.djindexes.com/symbolsandcalendars/?go=trading-calendar).

4.8 Calculation Parameters

The “Index” is calculated as a price and a net return index.

The “Index” is calculated in EUR and USD and disseminated in real-time.

5. Calculation Model

5.1 Input Data Specification

The calculation of the “Index” is based on the following input data:

- Stock prices (local currency)
- Currency rates
- Weighting factors

- Corporate action information and data
- Divisor

5.2 Input Data Monitoring

Various verification and audit procedures are implemented to ensure that the stock price and currency rate input-data feeds are of the highest accuracy and consistency. These procedures include:

- Data filters
- Quality assurance tools
- Verification against secondary sources

5.3 Input Data Corrections

Every effort is made to prevent erroneous input data.

Incorrect index divisors are corrected immediately if discovered on the effective day.

5.4 Data Accuracy

The accuracy of the input, computational and output data is specified below:

Exchange rates: rounded to 10 decimal places

Weighting factors: rounded to 10 decimal places

Index divisors: float numbers

Index values: rounded to 2 decimal places

5.5 Index Formula

The Index is calculated based on the following formula:

The indexes are calculated using a Laspeyres formula. This formula is used for the calculation of the price and total-return indexes. The only difference is that the divisor D_t is different for the two indexes.

The indexes are computed as follows:

$$\text{Index}_t = \frac{\sum_i^n (P_{it} \times W_{it})}{D_t} = \frac{M_t}{D_t}$$

where

n	= the number of stocks in the index
p_{it}	= the price of stock i at time (t)
w_{it}	= the weight factor of company i at time (t)
D_t	= Divisor of the index at times (t)

M_t = market capitalization of index at time (t)

5.6 Index Divisor Adjustments

The index divisors are adjusted as follows in response to corporate actions or index composition changes:

The following formula will be used for divisor adjustments:

$$D_{t+1} = D_t \times \frac{\sum_i^n (P_{it} \times W_{it}) \pm MC_{t+1}}{\sum_i^n (P_{it} \times W_{it})}$$

where

n	= the number of stocks in the index
D_t	= divisor at time (t)
D_{t+1}	= divisor at time (t + 1)
P_{it}	= stock price of company i at time (t)
W_{it}	= weight factor of company i at time (t)
MC_{t+1}	= change in components' market capitalization and adjusted market capitalization (calculated with adjusted closing price and weight factors effective at time t + 1) in the index. Also includes the addition and deletion of components.

In general, a company's weight factor is adjusted to offset all price adjustments made as a result of regular corporate actions except for special cash dividends and spin-offs. Divisor adjustments resulting from the regular maintenance of the index are implemented in accordance to Dow Jones Indexes' standard procedures.

6. Index Disclaimer

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RABOBANK SUSTAINABLE HEALTHCARE INDEX

1. Introduction

The Rabobank Sustainable Healthcare Index (the “Index”) tracks the performance of companies that are active in the sustainable Healthcare business. The global index comprises companies which have their biggest share of revenues in either or several of the following investment clusters: Diagnostics, Generics and Healthcare IT. The index members are the 20 largest stocks from the list of eligible companies.

The Index was launched on 16 February 2011. The selection of the index constituents is conducted by SAM Indexes – a wholly-owned subsidiary of SAM Group – following a rules-based process. Dow Jones Indexes is responsible for the index calculation and maintenance.

Four versions of the Index are available as follows:

Rabobank Sustainable Healthcare Net Return Index in EUR (RSHCER)

Rabobank Sustainable Healthcare Price Index in EUR (RSHCRE)

Rabobank Sustainable Healthcare Net Return Index in USD (RSHCDR)

Rabobank Sustainable Healthcare Price Index in USD (RSHCRD)

2. Periodic Review

2.1 Review Dates

Semi-Annual Review:

The composition of the Index is reviewed on a semi-annual basis. The resulting changes (i.e. additions and deletions) to the index are implemented after the closing on the third Friday in March and September and are effective on the next trading day.

To ensure that the Index is always accurate and is calculated with the most up-to-date constituent data, the component data (i.e. weighting factor) of the Index is reviewed on a semi-annual basis. The resulting changes to the index are implemented after the closing on the third Friday in March and September and are effective the next trading day.

In addition to the update of weighting factors as described above, Initial Public Offerings (IPO) in the six months preceding the upcoming semi-annual review month are reviewed for addition to the Index.

An IPO qualifies for addition if it fulfils all the Index Investment Universe and Index selection criteria described in paragraph 2.2.

2.2 Investment Universe

The Index investment universe, i.e. stocks that are eligible for inclusion (the “Index Investment Universe”), is reviewed semi-annually in March and September. It comprises all stocks that

(1) are included in the Dow Jones Global Total Stock Market Index;

(2) are listed on an exchange covered by Rabobank in Europe, the US, Latin America or Asia (the “Selected Stock Exchanges”)¹;

(3) have their highest revenue share in one or several of the following three investment clusters: Diagnostics, Generics, Healthcare IT;

(4) have a minimum free float market capitalization of USD 100 million and

(5) have a minimum first quartile liquidity over the previous six months of USD 500,000.

2.3 Investment Cluster Classification

Every stock in the “Index” Investment Universe is classified according to its highest revenue share into one of the following three investment clusters: Diagnostics, Generics, Healthcare IT.

2.4 Selection

Starting from the Index Investment Universe, the components of the Index are selected based on the following steps:

Free Float Market Capitalization Ranking:

Each stock in the Index universe is ranked from highest to the lowest according to its end-of-day free float market capitalization on the last trading day of the month prior to the semi-annual review month (the market cap review date), i.e., the last trading day of February or August. For example, if there are fifty stocks in the universe, the smallest cap stock will be assigned a score of ‘1’ while the largest cap stock will be assigned a score of ‘50’.

Liquidity Ranking:

Each stock in the Index universe is ranked from highest to lowest according to its first quartile liquidity (as defined in 4.5) over the previous 6 months prior to the semi-annual review month (the liquidity review date), i.e. the last trading day of February or August. The liquidity is based on the primary exchange OR, if a company can be identified by two ISIN numbers, then the liquidity from the Rabobank approved exchange.

Initial Selection:

The 20 highest scoring stocks according to their score are selected as components of the Index subject to the Diversification Rule.

The score is the arithmetic average at time t for each stock of its Free Float Market Capitalization Rank and the Liquidity Rank. In the event of a tie, the stock with the highest Liquidity Rank will be ranked above the other stock(s) with the same score.

Diversification Rule:

Each of the three identified investment clusters will have a minimum of 5 highest scoring stocks. Such limits will not change through time except by a decision of the Index Committee in its absolute discretion. Such decision might be due to, but not limited to, a change in the number of clusters or a

¹ The investment universe currently comprises stocks from the following exchanges: SGX Singapore, TSE Tokyo, SEHK Hong Kong, KSE Korea, ASX Sydney, KLCI Kuala Lumpur, TSEC Taiwan, JSE Johannesburg, VIRTX + SE Zurich, ENXTAM Amsterdam, OSE Oslo, CSE Copenhagen, SAX Stockholm, SIBE + MSE Madrid, BI Affari Italy, Euronext L Lisbon, XETRA Vienna, Euronext B Brussels, HESE Helsinki, TSE Toronto, XETRA Frankfurt, Euronext P Paris, LSE London, AMEX, NSDQ Nasdaq, NYSE New York.

change in the number of stocks in the index, or if there are not enough stocks in the investment universe for an investment cluster.

In addition to the rule that all investment clusters be represented in the index, stocks that pass the initial selection and comply with the diversification rule are submitted by SAM to a Media and Stakeholder Analysis (MSA).

MSA Helps to verify a company's involvement and management of critical economic, social and environmental issues or crisis situations (covers issues such as economic crime, illicit commercial practises, human right issues, workforce conflicts, large disasters or accidents).

MSA is performed with the assistance of information provided by specialised SAM Analysts who remain in regular contact with companies, as well as information from RepRisk®, an advanced monitoring tool to filter out potential reputational risk.

Any findings that could make the stock unsuitable as an index component will be collected and, the SAM analyst for that sector decides as to the severity of the issue as well as the course of action. Should the SAM Analysts decide to disregard the respective stock, the next best ranked stock will be considered and the process reiterated until a suitable index component has been identified.

Any findings that could make the stock unsuitable as an index component will be collected and, the SAM analyst for that sector decides as to the severity of the issue as well as the course of action. Should the outcome of the MSA make the respective stock ineligible, the next best ranked stock will be considered and the process reiterated until a suitable index component has been identified.

2.5 Weighting factors

To ensure that all stocks in the index are appropriately weighted and these changes are subsequently reflected in the resulting component weights, the weighting factors for each stock in the Index are calculated on a semi-annual basis.

The calculation of the weighting factors is described in section 4.5.

2.6 The Index Committee

The Sustainable Healthcare Index Committee (the "Index Committee") will be composed of not less than three members. The Index Committee comprises at least two Rabobank professionals with extensive experience in financial markets and one SAM professional with expertise in Sustainability Investment.

The Index Committee will meet semi-annually, either in person or via teleconference, to discuss index issues and organize the semi-annual rebalancing.

The Index Committee, in its absolute discretion, may revise index policy (if required) or may modify selection criteria in the event that less than 20 stocks qualify for inclusion in the indices. All Index Committee discussions are confidential and any release of rebalancing information will be made known to all investors at the same time. The Index Committee also has the right to add or remove any of the elements mentioned in 2.2 (2) (Selected Stock Exchanges).

The Sustainable Healthcare Index Committee is responsible for:

- Auditing the index composition at the semi-annual reviews
- Ongoing review of all extraordinary corporate actions for possible changes to the index composition

- Verifying the integrity of input price, currency rate and other related market data
- Deciding on the composition and accuracy of the Rabobank Sustainable Healthcare Index.

In particular, the Index Committee is solely responsible for all changes to the Index methodology, which is detailed in the current Rabobank Sustainable Healthcare Index Guidebook.

All new indexes and changes to the index composition and methodology will be announced - with a sufficient notification period - before they become effective.

2.7 Role of parties

SAM will submit to Rabobank the Index components before the Index Committee.

The Index Committee will meet on the first week of the rebalancing month and shall approve or reject the index constituents.

No later than the first Friday, the Index Committee, or its designee, will submit to the Calculation Agent the Index components.

The Calculation Agent will provide final share weights to the Index Committee, or its designee on the Wednesday preceding the second Friday of the rebalancing month.

The Index Committee, or its designee will approve the final share weights no later than the second Friday of the rebalancing month.

3. Ongoing Maintenance

In addition to the periodic reviews, the Index is also continually reviewed for corporate events – e.g. mergers, takeovers, spin-offs, de-listings and bankruptcy - affecting the Index components.

3.1 Stock Deletion

For all corporate events that result in a stock deletion from the Index the leaving stock will not be replaced. The Index will be calculated with less than 20 constituents until the next semi-annual review.

3.2 Changes due to Spin-Offs

If an Index component is split to form two or more companies, the following rules apply:

If the original stock is going to be de-listed after the spin-off, the original stock will be replaced by the eligible spun-off stock or will not be replaced according to the rules set forth in section 3.1 above.

Otherwise the original stock will remain in the index with a price adjustment and the spun-off stock will be added as an additional component with a weight factor based on the terms of the spin-off.

The deletion and addition of a component due to a spin-off is effective according to Dow Jones standards.

3.3 Changes due to Mergers & Takeovers

Component & component:

If two or more Index components merge or one Index component takes over another or several Index components, the resulting stock is included in the Index unless it no longer qualifies for the Index. The original components are deleted.

Deleted components due to a merger or takeover are not replaced according to section 3.1 above.

The deletion and replacement of any components due to a merger or take-over are effective according to Dow Jones standards.

Component & non-component:

If a Index component merges with or takes over a non-component, the following rules apply:

If the newly formed company qualifies for the Index by fulfilling all Index investment universe and Index component selection criteria as described under 2, then its stock is included in the Index with the same weight as the original stock.

If the newly formed company does not qualify for the Index, the original company's stock is replaced according to section 3.1 above.

The deletion and replacement of any components due to a merger or take-over are effective according to Dow Jones standards.

3.4 Changes due to number of shares and/or free float factors

Changes to the number of shares and/or the free float factors in-between reviews do not affect the weighting factors.

3.5 Changes due to Illiquidity

Stocks that are illiquid for the following reasons are considered for deletion from the Index:

- 10 consecutive non-trading days
- Suspension from trading
- Ongoing bankruptcy proceedings

The deleted component is not replaced according to section 3.1 above.

The changes to the composition of the Index due to illiquidity of a component are implemented according to Dow Jones standards.

3.6 Changes due to Delisting

Index components that are to be de-listed for reasons that have not already been described, will be deleted from the Index. The deleted component is not replaced according to section 3.1 above.

The changes to the composition of the Index due to delisting of a component are implemented according to Dow Jones standards.

4. Index Features & Data Dissemination

4.1 History and Index Value

The Index was launched on 16 February 2011.

Historical index values are available since 31 September 2005; the index value started with 1000.00 on 31 September 2005.

4.2 Stock Prices

The stock prices used to calculate the index are:

The opening price: the first traded price during the official trading hours of the stock's trading system; until this is available, the previous day's closing/ adjusted price is used;

The intraday price: the currently traded price during the official trading hours of the stock's trading system. As long as the stock is not traded, the last available stock price will be used.

This could either be the last available intraday stock price (e.g. if the stock is temporarily suspended) or the last available closing/ adjusted price (e.g. if the stock exchange is closed)

The closing price: the last traded price or auction price during the official trading hours of the stock's trading system. If the stock has not been traded all day, then the previous day's closing/ adjusted price is used

The adjusted price: the closing price is adjusted to reflect a stock's corporate action effective the next trading day

4.3 Currency Rates

The applicable closing currency rate for the calculation of the closing index values are the official fixed foreign exchange rates at 16:00 hrs. London time as provided by WM Company.

4.4 Dividend Treatment

The Index is available as both a net return index (Rabobank Sustainable Healthcare Net Return Index, all regular dividends are re-invested proportionately across the index constituents) and a price index (Rabobank Sustainable Healthcare Price Index, only extraordinary or special cash dividends of stock's previous day's closing price or dividends from non-operating income are re-invested in the respective stock).

Dividend payments are included as net-of-tax dividends according to Dow Jones standards, meaning the dividend amount received after deduction of withholding taxes (www.djindexes.com/mdsidx/downloads/withholding_tax.pdf).

4.5 Weighting Factors

On each semi-annual review date the weightings of the components of the Index are obtained by calculating a weighting factor for each constituent based on free float market capitalization and first quartile liquidity over the preceding six months.

The weighting factor for each constituent is calculated two days prior to its implementation.

It is calculated as follows:

$$\text{Weight Factor}_i = \frac{1,000,000 * \text{Target Weight}_i}{\text{Price USD}_i}$$

$$\text{Target Weight}_i = \frac{\frac{M_{it} + L_{it}}{\sum_{i=1}^{20} M_{it} \sum_{i=1}^{20} L_{it}}}{2}$$

With

PriceUSD _i	= price of stock i calculated in USD
M _{it}	= Free Float Market Cap Value of stock i at time t and
L _{it}	= First Quartile Liquidity Value for stock i observed over the preceding six months to time t. The Liquidity Value at time j previous to time t is equal to:
	Price _{ij} * Trading Volume _{ij} * FX _{ij}

With

Price _{ij}	= closing price of stock i at time j as defined in 4.2
Trading Volume _{ij}	= the cumulative number of stock i traded on day j
FX _{ij}	= the Currency Rates as defined in 4.3

Another weight factor (cap factor) is applied for index components with a weight above 12%. This additional weight factor caps the component weight to the thresholds mentioned above.

4.6 Index Divisors

Index divisors for the Index are adjusted to maintain the continuity of the index's values across changes due to corporate actions and/or changes in the composition of the index.

4.7 Index Dissemination

The index dissemination calendar is determined by Dow Jones Indexes according to its standards (www.djindexes.com/symbolsandcalendars/?go=trading-calendar).

4.8 Calculation Parameters

The Index is calculated as a price and a net return index.

The Index is calculated in EUR and USD and disseminated in real-time.

5. Calculation Model

5.1 Input Data Specification

The calculation of the Index is based on the following input data:

- Stock prices (local currency)
- Currency rates
- Weighting factors
- Corporate action information and data
- Divisor

5.2 Input Data Monitoring

Various verification and audit procedures are implemented to ensure that the stock price and currency rate input-data feeds are of the highest accuracy and consistency. These procedures include:

- Data filters
- Quality assurance tools
- Verification against secondary sources

5.3 Input Data Corrections

Every effort is made to prevent erroneous input data.

Incorrect index divisors are corrected immediately if discovered on the effective day.

5.4 Data Accuracy

The accuracy of the input, computational and output data is specified below:

Exchange rates: rounded to 10 decimal places

Weighting factors: rounded to 10 decimal places

Index divisors: float numbers

Index values: rounded to 2 decimal places

5.5 Index Formula

The Index is calculated based on the following formula:

The indexes are calculated using a Laspeyres formula. This formula is used for the calculation of the price and total-return indexes. The only difference is that the divisor D_t is different for the two indexes.

The indexes are computed as follows:

$$\text{Index}_t = \frac{\sum_i^n (P_{it} \times W_{it})}{D_t} = \frac{M_t}{D_t}$$

where

n = the number of stocks in the index

p_{it}	= the price of stock i at time (t)
w_{it}	= the weight factor of company i at time (t)
D_t	= Divisor of the index at times (t)
M_t	= market capitalization of index at time (t)

5.6 Index Divisor Adjustments

The index divisors are adjusted as follows in response to corporate actions or index composition changes:

The following formula will be used for divisor adjustments:

$$D_{t+1} = D_t \times \frac{\sum_i^n (P_{it} \times W_{it}) \pm MC_{t+1}}{\sum_i^n (P_{it} \times W_{it})}$$

where:

n	= the number of stocks in the index
D_t	= divisor at time (t)
$D_t + 1$	= divisor at time (t + 1)
p_{it}	= stock price of company i at time (t)
w_{it}	= weight factor of company i at time (t)

$MC_t + 1$ = change in components' market capitalization and adjusted market capitalization (calculated with adjusted closing price and weight factors effective at time t + 1) in the index. Also includes the addition and deletion of components.

In general, a company's weight factor is adjusted to offset all price adjustments made as a result of regular corporate actions except for special cash dividends and spin-offs. Divisor adjustments resulting from the regular maintenance of the index are implemented in accordance to Dow Jones Indexes' standard procedures.

6. Disclaimer

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RABOBANK SUSTAINABLE THEMES INDEX

1. Introduction

1.1 History and Index Value

The Rabobank Sustainable Themes Index (Index) tracks the performance of companies that are the largest in each of the following five Rabobank Sustainable Indices:

- a) Rabobank Sustainable Water Index,
- b) Rabobank Sustainable Energy Index,
- c) Rabobank Sustainable Waste Management,
- d) Rabobank Sustainable Transport and
- e) Rabobank Sustainable Healthcare.

The index comprises companies which then have their biggest share of revenues in single or multiple investment clusters of their respective indexes which are:

- a) Water Utilities, Water Treatment, Water Infrastructure,
- b) Renewable Energy, Distributed Energy, Energy Efficiency,
- c) Recycling, Waste Collection & Disposal,
- d) Modal Shift, System Improvement,
- e) Diagnostics, Generics and Healthcare IT.

The index members are the 25 largest stocks from the list of eligible companies.

The Index was launched on 24 March 2011. The selection of the index constituents is conducted by SAM Indexes – a wholly-owned subsidiary of SAM Group – following a rules-based process. Dow Jones Indexes is responsible for the index calculation and maintenance.

Four versions of the Index are available as follows:

Rabobank Sustainable Themes Net Return Index in EUR (RSMTHER)

Rabobank Sustainable Themes Price Index in EUR (RSMTHE)

Rabobank Sustainable Themes Net Return Index in USD (RSMTHDR)

Rabobank Sustainable Themes Price Index in USD (RSMTHD)

2. Periodic Review

2.1 Review Dates

Semi-Annual Review:

To ensure that the Index is always accurate and is calculated with the most up-to-date constituent data, the component data (i.e. weighting factor) of the Index is reviewed on a semi-annual basis. The resulting changes (i.e. additions and deletions) to the index are implemented after the closing on the third Friday in March and September and are effective the next trading day.

In addition to the update of weighting factors as described above, Initial Public Offerings (IPO) in the six months preceding the upcoming semi-annual review month are reviewed for addition to the Index.

An IPO qualifies for addition if it fulfils all the Index investment universe and Index selection criteria described in paragraph 2.2.

2.2 Investment Universe

The Index investment universe, i.e. stocks that are eligible for inclusion, is reviewed semi-annually in March and September. It comprises all stocks that are included in the five Rabobank Sustainable Indices: Rabobank Sustainable Water Index, Rabobank Sustainable Energy Index, Rabobank Sustainable Waste Management, Rabobank Sustainable Transport and Rabobank Sustainable Healthcare

Each of the stocks :

- (1) are included in the Dow Jones Global Total Stock Market Index;
- (2) are listed on an exchange covered by Rabobank in Europe, the US, Latin America or Asia(the “Selected Stock Exchanges”)¹;
- (3) have their highest revenue share in one or several of the following investment clusters of each index: Water Utilities, Water Treatment, Water Infrastructure, renewable Energy, Distributed Energy, Energy Efficiency, Recycling, Waste Collection & Disposal, Modal Shift, System Improvement, Diagnostics, Generics and Healthcare IT;
- (4) have a minimum free float market capitalization of USD 100 million; and
- (5) have a minimum first quartile liquidity over the previous six months of USD 500,000.

2.3 Investment Cluster Classification

Every stock in the ”Index” universe is classified according to its highest revenue share into one of the investment clusters representing the relevant index: Water Utilities, Water Treatment, Water Infrastructure, renewable Energy, Distributed Energy, Energy Efficiency, Recycling, Waste Collection & Disposal, Modal Shift, System Improvement, Diagnostics, Generics and Healthcare IT.

2.4 Selection

Starting from the Index investment universe, the components of the (Index) are selected based on the following steps:

Free Float Market Capitalization Ranking:

Each stock in the Index universe is ranked from highest to the lowest according to its end-of-day free float market capitalization on the last trading day of the month prior to the semi-annual review month

¹ The investment universe currently comprises stocks from the following exchanges: SGX Singapore, TSE Tokyo, SEHK Hong Kong, KSE Korea, ASX Sydney, KLCI Kuala Lumpur; TSEC Taiwan; JSE Johannesburg, VIRTX + SE Zurich, ENXTAM Amsterdam, OSE Oslo, CSE Copenhagen, SAX Stockholm, SIBE + MSE Madrid, BI Affari Italy, Euronext L Lisbon, XETRA Vienna, Euronext B Brussels, HESE Helsinki, TSE Toronto, XETRA Frankfurt, Euronext P Paris, LSE London, AMEX, NSDQ Nasdaq, NYSE New York.

(the market cap review date), i.e., the last trading day of February or August. For example, if there are ninety five stocks in the universe, the smallest cap stock will be assigned a score of '1' while the largest cap stock will be assigned a score of '94'.

Liquidity Ranking:

Each stock in the Index universe is ranked from highest to lowest according to its first quartile liquidity (as defined in 4.5) over the previous 6 months prior to the semi-annual review month (the liquidity review date), i.e. the last trading day of February or August. The liquidity is based on the primary exchange OR, if a company can be identified by two ISIN numbers, then the liquidity from the Rabobank approved exchange.

Initial Selection:

The 5 highest scoring stocks of each indices, five in total, according to their score are selected as components of the (Index) subject to the Diversification Rule.

The score is the arithmetic average at time t for each stock of its Free Float Market Capitalization Rank and the Liquidity Rank. In the event of a tie, the stock with the highest Liquidity Rank will be ranked above the other stock(s) with the same score.

Diversification Rule:

Each of the thirteen identified investment clusters will have a minimum of 1 highest scoring stocks. Such limits will not change through time except by a decision of the Index Committee in its absolute discretion. Such decision might be due to, but not limited to, a change in the number of clusters or a change in the number of stocks in the index, or if there are not enough stocks in the investment universe for an investment cluster.

In addition to the rule that all investment clusters be represented in the index, stocks that pass the initial selection and comply with the diversification rule are submitted by SAM to a Media and Stakeholder Analysis (MSA).

MSA Helps to verify a company's involvement and management of critical economic, social and environmental issues or crisis situations (covers issues such as economic crime, illicit commercial practises, human right issues, workforce conflicts, large disasters or accidents).

MSA is performed with the assistance of information provided by specialised SAM Analysts who remain in regular contact with companies, as well as information from RepRisk®, an advanced monitoring tool to filter out potential reputational risk.

Any findings that could make the stock unsuitable as an index component will be collected and, the SAM analyst for that sector decides as to the severity of the issue as well as the course of action. Should the SAM Analysts decide to disregard the respective stock, the next best ranked stock will be considered and the process reiterated until a suitable index component has been identified.

Any findings that could make the stock unsuitable as an index component will be collected and, the SAM analyst for that sector decides as to the severity of the issue as well as the course of action. Should the outcome of the MSA make the respective stock ineligible, the next best ranked stock will be considered and the process reiterated until a suitable index component has been identified.

2.5 Weighting factors

To ensure that all stocks in the index are appropriately weighted and these changes are subsequently reflected in the resulting component weights, the weighting factors for each stock in the Index are calculated on a quarterly basis.

The calculation of the weighting factors is described in section 4.5.

2.6 The Index Committee

The Sustainable Themes Index Committee (the “Index Committee”) will be composed of not less than three members. The Index Committee comprises at least two Rabobank professionals with extensive experience in financial markets and one SAM professional with expertise in Sustainability Investment.

The Index Committee will meet semi-annually, either in person or via teleconference, to discuss index issues and organize the semi-annual review.

The Index Committee, in its absolute discretion, may revise index policy (if required) or may modify selection criteria in the event that less than 25 stocks qualify for inclusion in the indices. All committee discussions are confidential and any release of rebalancing information will be made known to all investors at the same time. The Index Committee also has the right to add or remove any of the elements mentioned in 2.2 (2) (Selected Stock Exchanges).

The Sustainable Themes Index Committee is responsible for:

- Auditing the index composition at the semi-annual reviews
- Ongoing review of all extraordinary corporate actions for possible changes to the index composition
- Verifying the integrity of input price, currency rate and other related market data
- Deciding on the composition and accuracy of the Rabobank Sustainable Themes Index.

In particular, the Index Committee is solely responsible for all changes to the index methodology, which is detailed in the current Rabobank Sustainable Themes Index Guidebook.

All new indexes and changes to the index composition and methodology will be announced - with a sufficient notification period - before they become effective.

2.7 Role of parties

SAM will submit to Rabobank the index components before the Index Committee.

The Index Committee will meet on the first week of the rebalancing month and shall approve or reject the index constituents.

No later than the first Friday, the Index Committee, or its designee, will submit to the Calculation Agent the index components.

The Calculation Agent will provide final share weights to the Index Committee, or its designee on the Wednesday preceding the second Friday of the rebalancing month.

The Index Committee, or its designee will approve the final share weights no later than the second Friday of the rebalancing month.

3. Ongoing Maintenance

In addition to the periodic reviews, the Index is also continually reviewed for corporate events – e.g. mergers, takeovers, spin-offs, de-listings and bankruptcy - affecting the index components.

3.1 Stock Deletion

For all corporate events that result in a stock deletion from the Index the leaving stock will not be replaced. The Index will be calculated with less than 25 constituents until the next semi-annual review.

3.2 Changes due to Spin-Offs

If an Index component is split to form two or more companies, the following rules apply:

If the original stock is going to be de-listed after the spin-off, the original stock will be replaced by the eligible spun-off stock or will not be replaced according to the rules set forth in section 3.1 above.

Otherwise the original stock will remain in the index with a price adjustment and the spun-off stock will be added as an additional component with a weight factor based on the terms of the spin-off.

The deletion and addition of a component due to a spin-off is effective according to Dow Jones standards.

3.3 Changes due to Mergers & Takeovers

Component & component:

If two or more Index components merge or one Index component takes over another or several Index components, the resulting stock is included in the Index unless it no longer qualifies for the Index. The original components are deleted.

Deleted components due to a merger or takeover are not replaced according to section 3.1 above.

The deletion and replacement of any components due to a merger or take-over are effective according to Dow Jones standards.

Component & non-component:

If a Index component merges with or takes over a non-component, the following rules apply:

If the newly formed company qualifies for the Index by fulfilling all Index investment universe and Index component selection criteria as described under 2, then its stock is included in the Index with the same weight as the original stock.

If the newly formed company does not qualify for the Index, the original company's stock is replaced according to section 3.1 above.

The deletion and replacement of any components due to a merger or take-over are effective according to Dow Jones standards.

3.4 Changes due to number of shares and/or free float factors

Changes to the number of shares and/or the free float factors in-between reviews do not affect the weighting factors.

3.5 Changes due to Illiquidity

Stocks that are illiquid for the following reasons are considered for deletion from the Index:

- 10 consecutive non-trading days
- Suspension from trading
- Ongoing bankruptcy proceedings

The deleted component is not replaced according to section 3.1 above.

The changes to the composition of the Index due to illiquidity of a component are implemented according to Dow Jones standards.

3.6 Changes due to Delisting

Index components that are to be de-listed for reasons that have not already been described, will be deleted from the Index. The deleted component is not replaced according to section 3.1 above.

The changes to the composition of the Index due to delisting of a component are implemented according to Dow Jones standards.

4. Index Features & Data Dissemination

4.1 History and Index Value

The Index was launched on 24th March 2011.

Historical index values are available since 31 September 2005; the index value started with 1000.00 on 31 September 2005.

4.2 Stock Prices

The stock prices used to calculate the index are:

The opening price: the first traded price during the official trading hours of the stock's trading system; until this is available, the previous day's closing/ adjusted price is used;

The intraday price: the currently traded price during the official trading hours of the stock's trading system. As long as the stock is not traded, the last available stock price will be used.

This could either be the last available intraday stock price (e.g. if the stock is temporarily suspended) or the last available closing/ adjusted price (e.g. if the stock exchange is closed)

The closing price: the last traded price or auction price during the official trading hours of the stock's trading system. If the stock has not been traded all day, then the previous day's closing/ adjusted price is used

The adjusted price: the closing price is adjusted to reflect a stock's corporate action effective the next trading day

4.3 Currency Rates

The applicable closing currency rate for the calculation of the closing index values are the official fixed foreign exchange rates at 16:00 hrs. London time as provided by WM Company.

4.4 Dividend Treatment

The Index is available as both a net return index (Rabobank Sustainable Themes Net Return Index, all regular dividends are re-invested proportionately across the index constituents) and a price index (Rabobank Sustainable Themes Price Index, only extraordinary or special cash dividends of stock's previous day's closing price or dividends from non-operating income are re-invested in the respective stock).

Dividend payments are included as net-of-tax dividends according to Dow Jones standards, meaning the dividend amount received after deduction of withholding taxes (www.djindexes.com/mdsidx/downloads/withholding_tax.pdf).

4.5 Weighting Factors

The index is equal weighted, using price-based weighting factors to establish equal weights on a quarterly basis. The weightings of the components of the Index are obtained by calculating a weighting factor for each constituent.

The weighting factor for each constituent is calculated two days prior to its implementation.

It is calculated as follows:

$$\text{Weight Factor}_i = \frac{1,000,000 * \text{Target Weight}_i}{\text{Price USD}_i}$$

$$\text{Target Weight}_i = \frac{1}{\text{Number of constituents}}$$

With

PriceUSD_i = price of stock i calculated in USD

Number of constituents = 25

4.6 Index Divisors

Index divisors for the Index are adjusted to maintain the continuity of the index's values across changes due to corporate actions and/or changes in the composition of the index.

4.7 Index Dissemination

The index dissemination calendar is determined by Dow Jones Indexes according to its standards (www.djindexes.com/symbolsandcalendars/?go=trading-calendar).

4.8 Calculation Parameters

The Index is calculated as a price and a net return index.

The Index is calculated in EUR and USD and disseminated in real-time.

5. Calculation Model

5.1 Input Data Specification

The calculation of the Index is based on the following input data:

- Stock prices (local currency)
- Currency rates
- Weighting factors
- Corporate action information and data
- Divisor

5.2 Input Data Monitoring

Various verification and audit procedures are implemented to ensure that the stock price and currency rate input-data feeds are of the highest accuracy and consistency. These procedures include:

- Data filters
- Quality assurance tools
- Verification against secondary sources

5.3 Input Data Corrections

Every effort is made to prevent erroneous input data.

Incorrect index divisors are corrected immediately if discovered on the effective day.

5.4 Data Accuracy

The accuracy of the input, computational and output data is specified below:

Exchange rates: rounded to 10 decimal places

Weighting factors: rounded to 10 decimal places

Index divisors: float numbers

Index values: rounded to 2 decimal places

5.5 Index Formula

The Index is calculated based on the following formula:

The indexes are calculated using a Laspeyres formula. This formula is used for the calculation of the price and total-return indexes. The only difference is that the divisor D_t is different for the two indexes.

The indexes are computed as follows:

$$\text{Index}_t = \frac{\sum_i^n (P_{it} \times W_{it})}{D_t} = \frac{M_t}{D_t}$$

where

n	= the number of stocks in the index
P_{it}	= the price of stock i at time (t)
W_{it}	= the weight factor of company i at time (t)
D_t	= Divisor of the index at times (t)
M_t	= market capitalization of index at time (t)

5.6 Index Divisor Adjustments

The index divisors are adjusted as follows in response to corporate actions or index composition changes:

The following formula will be used for divisor adjustments:

$$D_{t+1} = D_t \times \frac{\sum_i^n (P_{it} \times W_{it}) \pm MC_{t+1}}{\sum_i^n (P_{it} \times W_{it})}$$

where

n	= the number of stocks in the index
D_t	= divisor at time (t)
$D_t + 1$	= divisor at time (t + 1)
P_{it}	= stock price of company i at time (t)
W_{it}	= weight factor of company i at time (t)
$MC_t + 1$	= change in components' market capitalization and adjusted market capitalization (calculated with adjusted closing price and weight factors effective at time t + 1) in the index. Also includes the addition and deletion of components.

In general, a company's weight factor is adjusted to offset all price adjustments made as a result of regular corporate actions except for special cash dividends and spin-offs. Divisor adjustments resulting from the regular maintenance of the index are implemented in accordance to Dow Jones Indexes' standard procedures.

6. Disclaimer

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RABOBANK SUSTAINABLE TRANSPORT INDEX

1. Introduction

The Rabobank Sustainable Transport Index (Index) tracks the performance of companies that are active in the sustainable Transport business. The global index comprises companies which have their biggest share of revenues in either or several of the following investment clusters: Modal Shift, and System Improvement. The index members are the 20 largest stocks from the list of eligible companies.

The Index was launched on 28 December 2010. The selection of the index constituents is conducted by SAM Indexes – a wholly-owned subsidiary of SAM Group – following a rules-based process. Dow Jones Indexes is responsible for the index calculation and maintenance.

Four versions of the Index are available as follows:

Rabobank Sustainable Transport Net Return Index in EUR (RSTSPER)

Rabobank Sustainable Transport Price Index in EUR (RSTSPE)

Rabobank Sustainable Transport Net Return Index in USD (RSTSPDR)

Rabobank Sustainable Transport Price Index in USD (RSTSPD)

2. Periodic Review

2.1 Review Dates

Semi-Annual Review:

The composition of the Index is reviewed on a semi-annual basis. The resulting changes (i.e. additions and deletions) to the index are implemented after the closing on the third Friday in March and September and are effective on the next trading day.

To ensure that the Index is always accurate and is calculated with the most up-to-date constituent data, the component data (i.e. weighting factor) of the Index is reviewed on a semi-annual basis. The resulting changes to the index are implemented after the closing on the third Friday in March and September and are effective the next trading day.

In addition to the update of weighting factors as described above, Initial Public Offerings (IPO) in the six months preceding the upcoming semi-annual review month are reviewed for addition to the Index.

An IPO qualifies for addition if it fulfils all the Index investment universe and Index selection criteria described in paragraph 2.2.

2.2 Investment Universe

The Index investment universe, i.e. stocks that are eligible for inclusion, is reviewed semi-annually in March and September. It comprises all stocks that

(1) are included in the Dow Jones Global Total Stock Market Index;

- (2) are listed on an exchange covered by Rabobank in Europe, the US, Latin America or Asia (the “Selected Stock Exchanges”)¹;
- (3) have their highest revenue share in one or several of the following three investment clusters: Renewable Transport, Distributed Transport, Transport Efficiency;
- (4) have a minimum free float market capitalization of USD 100 million; and
- (5) have a minimum first quartile liquidity over the previous six months of USD 500,000.

2.3 Investment Cluster Classification

Every stock in the “Index” universe is classified according to its highest revenue share into one of the following three investment clusters: Modal Shift, System Improvement.

2.4 Selection

Starting from the Index investment universe, the components of the (Index) are selected based on the following steps:

Free Float Market Capitalization Ranking:

Each stock in the Index universe is ranked from highest to the lowest according to its end-of-day free float market capitalization on the last trading day of the month prior to the semi-annual review month (the market cap review date), i.e., the last trading day of February or August. For example, if there are fifty stocks in the universe, the smallest cap stock will be assigned a score of ‘1’ while the largest cap stock will be assigned a score of ‘50’.

Liquidity Ranking:

Each stock in the Index universe is ranked from highest to lowest according to its first quartile liquidity (as defined in 4.5) over the previous 6 months prior to the semi-annual review month (the liquidity review date), i.e. the last trading day of February or August. The liquidity is based on the primary exchange OR, if a company can be identified by two ISIN numbers, then the liquidity from the Rabobank approved exchange.

Initial Selection:

The 20 highest scoring stocks according to their score are selected as components of the (Index) subject to the Diversification Rule.

The score is the arithmetic average at time t for each stock of its Free Float Market Capitalization Rank and the Liquidity Rank. In the event of a tie, the stock with the highest Liquidity Rank will be ranked above the other stock(s) with the same score.

Diversification Rule:

Each of the two identified investment clusters will have a minimum of 7 highest scoring stocks. Such limits will not change through time except by a decision of the Index Committee in its absolute discretion. Such decision might be due to, but not limited to, a change in the number of clusters or a

¹ The investment universe currently comprises stocks from the following exchanges: SGX Singapore, TSE Tokyo, SEHK Hong Kong, KSE Korea, ASX Sydney, KLCI Kuala Lumpur, TSEC Taiwan, JSE Johannesburg, VIRTX + SE Zurich, ENXTAM Amsterdam, OSE Oslo, CSE Copenhagen, SAX Stockholm, SIBE + MSE Madrid, BI Affari Italy, Euronext L Lisbon, XETRA Vienna, Euronext B Brussels, HESE Helsinki, TSE Toronto, XETRA Frankfurt, Euronext P Paris, LSE London, AMEX, NSDQ Nasdaq, NYSE New York.

change in the number of stocks in the index, or if there are not enough stocks in the investment universe for an investment cluster.

Moreover, the maximum number of stocks per country is 25% except for the US where the cap is at a maximum of 50%.

In addition to the rule that all investment clusters be represented in the index, stocks that pass the initial selection and comply with the diversification rule are submitted by SAM to a Media and Stakeholder Analysis (MSA).

MSA Helps to verify a company's involvement and management of critical economic, social and environmental issues or crisis situations (covers issues such as economic crime, illicit commercial practises, human right issues, workforce conflicts, large disasters or accidents).

MSA is performed with the assistance of information provided by specialised SAM Analysts who remain in regular contact with companies, as well as information from RepRisk®, an advanced monitoring tool to filter out potential reputational risk.

Any findings that could make the stock unsuitable as an index component will be collected and, the SAM analyst for that sector decides as to the severity of the issue as well as the course of action. Should the SAM Analysts decide to disregard the respective stock, the next best ranked stock will be considered and the process reiterated until a suitable index component has been identified.

Any findings that could make the stock unsuitable as an index component will be collected and, the SAM analyst for that sector decides as to the severity of the issue as well as the course of action. Should the outcome of the MSA make the respective stock ineligible, the next best ranked stock will be considered and the process reiterated until a suitable index component has been identified.

2.5 Weighting factors

To ensure that all stocks in the index are appropriately weighted and these changes are subsequently reflected in the resulting component weights, the weighting factors for each stock in the Index are calculated on a semi-annual basis.

The calculation of the weighting factors is described in section 4.5.

2.6 The Index Committee

The Sustainable Transport Index Committee (the "Index Committee") will be composed of not less than three members. The Index Committee comprises at least two Rabobank professionals with extensive experience in financial markets and one SAM professional with expertise in Sustainability Investment.

The Index Committee will meet semi-annually, either in person or via teleconference, to discuss index issues and organize the semi-annual rebalancing.

The Index Committee, in its absolute discretion, may revise index policy (if required) or may modify selection criteria in the event that less than 20 stocks qualify for inclusion in the indices. All committee discussions are confidential and any release of rebalancing information will be made known to all investors at the same time. The Index Committee also has the right to add or remove any of the elements mentioned in 2.2 (2) (Selected Stock Exchanges).

The Sustainable Transport Index Committee is responsible for:

- Auditing the index composition at the semi-annual reviews

- Ongoing review of all extraordinary corporate actions for possible changes to the index composition
- Verifying the integrity of input price, currency rate and other related market data
- Deciding on the composition and accuracy of the Rabobank Sustainable Transport Index.

In particular, the Index Committee is solely responsible for all changes to the index methodology, which is detailed in the current Rabobank Sustainable Transport Index Guidebook.

All new indexes and changes to the Index composition and methodology will be announced - with a sufficient notification period - before they become effective.

2.7 Role of parties

SAM will submit to Rabobank the index components before the Index Committee.

The Index Committee will meet on the first week of the rebalancing month and shall approve or reject the index constituents.

No later than the first Friday, the Index Committee, or its designee, will submit to the Calculation Agent the index components.

The Calculation Agent will provide final share weights to the Index Committee, or its designee on the Wednesday preceding the second Friday of the rebalancing month.

The Index Committee, or its designee will approve the final share weights no later than the second Friday of the rebalancing month.

3. Ongoing Maintenance

In addition to the periodic reviews, the Index is also continually reviewed for corporate events – e.g. mergers, takeovers, spin-offs, de-listings and bankruptcy - affecting the index components.

3.1 Stock Deletion

For all corporate events that result in a stock deletion from the Index the leaving stock will not be replaced. The Index will be calculated with less than 20 constituents until the next semi-annual review.

3.2 Changes due to Spin-Offs

If an Index component is split to form two or more companies, the following rules apply:

If the original stock is going to be de-listed after the spin-off, the original stock will be replaced by the eligible spun-off stock or will not be replaced according to the rules set forth in section 3.1 above.

Otherwise the original stock will remain in the index with a price adjustment and the spun-off stock will be added as an additional component with a weight factor based on the terms of the spin-off.

The deletion and addition of a component due to a spin-off is effective according to Dow Jones standards.

3.3 Changes due to Mergers & Takeovers

Component & component:

If two or more Index components merge or one Index component takes over another or several Index components, the resulting stock is included in the Index unless it no longer qualifies for the Index. The original components are deleted.

Deleted components due to a merger or takeover are not replaced according to section 3.1 above.

The deletion and replacement of any components due to a merger or take-over are effective according to Dow Jones standards.

Component & non-component:

If a Index component merges with or takes over a non-component, the following rules apply:

If the newly formed company qualifies for the Index by fulfilling all Index investment universe and Index component selection criteria as described under 2, then its stock is included in the Index with the same weight as the original stock.

If the newly formed company does not qualify for the Index, the original company's stock is replaced according to section 3.1 above.

The deletion and replacement of any components due to a merger or take-over are effective according to Dow Jones standards.

3.4 Changes due to number of shares and/or free float factors

Changes to the number of shares and/or the free float factors in-between reviews do not affect the weighting factors.

3.5 Changes due to Illiquidity

Stocks that are illiquid for the following reasons are considered for deletion from the Index:

- 10 consecutive non-trading days
- Suspension from trading
- Ongoing bankruptcy proceedings

The deleted component is not replaced according to section 3.1 above.

The changes to the composition of the Index due to illiquidity of a component are implemented according to Dow Jones standards.

3.6 Changes due to Delisting

Index components that are to be de-listed for reasons that have not already been described, will be deleted from the Index. The deleted component is not replaced according to section 3.1 above.

The changes to the composition of the Index due to delisting of a component are implemented according to Dow Jones standards.

4. Index Features & Data Dissemination

4.1 History and Index Value

The Index was launched on 28th December 2010.

Historical index values are available since 31 September 2005; the index value started with 1000.00 on 31 September 2005.

4.2 Stock Prices

The stock prices used to calculate the index are:

The opening price: the first traded price during the official trading hours of the stock's trading system; until this is available, the previous day's closing/ adjusted price is used;

The intraday price: the currently traded price during the official trading hours of the stock's trading system. As long as the stock is not traded, the last available stock price will be used.

This could either be the last available intraday stock price (e.g. if the stock is temporarily suspended) or the last available closing/ adjusted price (e.g. if the stock exchange is closed)

The closing price: the last traded price or auction price during the official trading hours of the stock's trading system. If the stock has not been traded all day, then the previous day's closing/ adjusted price is used

The adjusted price: the closing price is adjusted to reflect a stock's corporate action effective the next trading day

4.3 Currency Rates

The applicable closing currency rate for the calculation of the closing index values are the official fixed foreign exchange rates at 16:00 hrs. London time as provided by WM Company.

4.4 Dividend Treatment

The Index is available as both a net return index (Rabobank Sustainable Transport Net Return Index, all regular dividends are re-invested proportionately across the index constituents) and a price index (Rabobank Sustainable Transport Price Index, only extraordinary or special cash dividends of stock's previous day's closing price or dividends from non-operating income are re-invested in the respective stock).

Dividend payments are included as net-of-tax dividends according to Dow Jones standards, meaning the dividend amount received after deduction of withholding taxes (www.djindexes.com/mdsidx/downloads/withholding_tax.pdf).

4.5 Weighting Factors

On each semi-annual review date the weightings of the components of the Index are obtained by calculating a weighting factor for each constituent based on free float market capitalization and first quartile liquidity over the preceding six months.

The weighting factor for each constituent is calculated two days prior to its implementation.

It is calculated as follows:

$$\text{Weight Factor}_i = \frac{1,000,000 * \text{Target Weight}_i}{\text{Price USD}_i}$$

$$\text{Target Weight}_i = \frac{\frac{M_{it} + L_{it}}{\sum_{i=1}^{20} M_{it} \sum_{i=1}^{20} L_{it}}}{2}$$

With

PriceUSD _i	= price of stock i calculated in USD
M _{it}	= Free Float Market Cap Value of stock i at time t and
L _{it}	= First Quartile Liquidity Value for stock i observed over the preceding six months to time t. The Liquidity Value at time j previous to time t is equal to:
	Price _{ij} * Trading Volume _{ij} * FX _{ij}

With

Price _{ij}	= closing price of stock i at time j as defined in 4.2
Trading Volume _{ij}	= the cumulative number of stock i traded on day j
FX _{ij}	= the Currency Rates as defined in 4.3

Another weight factor (cap factor) is applied for index components with a weight above 12%. This additional weight factor caps the component weight to the thresholds mentioned above.

4.6 Index Divisors

Index divisors for the Index are adjusted to maintain the continuity of the index's values across changes due to corporate actions and/or changes in the composition of the index.

4.7 Index Dissemination

The index dissemination calendar is determined by Dow Jones Indexes according to its standards (www.djindexes.com/symbolsandcalendars/?go=trading-calendar).

4.8 Calculation Parameters

The Index is calculated as a price and a net return index.

The Index is calculated in EUR and USD and disseminated in real-time.

5. Calculation Model

5.1 Input Data Specification

The calculation of the Index is based on the following input data:

- Stock prices (local currency)
- Currency rates
- Weighting factors
- Corporate action information and data
- Divisor

5.2 Input Data Monitoring

Various verification and audit procedures are implemented to ensure that the stock price and currency rate input-data feeds are of the highest accuracy and consistency. These procedures include:

- ☐ Data filters
- ☐ Quality assurance tools
- ☐ Verification against secondary sources

5.3 Input Data Corrections

Every effort is made to prevent erroneous input data.

Incorrect index divisors are corrected immediately if discovered on the effective day.

5.4 Data Accuracy

The accuracy of the input, computational and output data is specified below:

Exchange rates: rounded to 10 decimal places

Weighting factors: rounded to 10 decimal places

Index divisors: float numbers

Index values: rounded to 2 decimal places

5.5 Index Formula

The Index is calculated based on the following formula:

The indexes are calculated using a Laspeyres formula. This formula is used for the calculation of the price and total-return indexes. The only difference is that the divisor D_t is different for the two indexes.

The indexes are computed as follows:

$$\text{Index}_t = \frac{\sum_i^n (P_{it} \times W_{it})}{D_t} = \frac{M_t}{D_t}$$

where

n = the number of stocks in the index

p_{it}	= the price of stock i at time (t)
w_{it}	= the weight factor of company i at time (t)
D_t	= Divisor of the index at times (t)
M_t	= market capitalization of index at time (t)

5.6 Index Divisor Adjustments

The index divisors are adjusted as follows in response to corporate actions or index composition changes:

The following formula will be used for divisor adjustments:

$$D_{t+1} = D_t \times \frac{\sum_i^n (P_{it} \times W_{it}) \pm MC_{t+1}}{\sum_i^n (P_{it} \times W_{it})}$$

where

n	= the number of stocks in the index
D_t	= divisor at time (t)
D_{t+1}	= divisor at time (t + 1)
p_{it}	= stock price of company i at time (t)
w_{it}	= weight factor of company i at time (t)
MC_{t+1}	= change in components' market capitalization and adjusted market capitalization (calculated with adjusted closing price and weight factors effective at time t + 1) in the index. Also includes the addition and deletion of components.

In general, a company's weight factor is adjusted to offset all price adjustments made as a result of regular corporate actions except for special cash dividends and spin-offs. Divisor adjustments resulting from the regular maintenance of the index are implemented in accordance to Dow Jones Indexes' standard procedures.

6. Disclaimer

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RABOBANK SUSTAINABLE WASTE MANAGEMENT INDEX

1. Introduction

The Rabobank Sustainable Waste Management Index (Index) tracks the performance of companies that are active in the sustainable waste management business. The global index comprises companies which have their biggest share of revenues in either or several of the following investment clusters: Waste Management and Recycling. The index members are the 14 largest stocks from the list of eligible companies.

The Index was launched on 1 July 2010. The selection of the index constituents is conducted by SAM Indexes – a wholly-owned subsidiary of SAM Group – following a rules-based process. Dow Jones Indexes is responsible for the index calculation and maintenance.

Four versions of the Index are available as follows:

Rabobank Sustainable Waste Management Net Return Index in EUR (RSWSMER)

Rabobank Sustainable Waste Management Price Index in EUR (RSWSME)

Rabobank Sustainable Waste Management Net Return Index in USD (RSWSMDR)

Rabobank Sustainable Waste Management Price Index in USD (RSWSMD)

2. Periodic Review

2.1 Review Dates

Semi-Annual Review:

The composition of the Index is reviewed on a semi-annual basis. The resulting changes (i.e. additions and deletions) to the index are implemented after the closing on the third Friday in March and September and are effective on the next trading day.

To ensure that the Index is always accurate and is calculated with the most up-to-date constituent data, the component data (i.e. weighting factor) of the Index is reviewed on a semi-annual basis. The resulting changes to the index are implemented after the closing on the third Friday in March and September and are effective the next trading day.

In addition to the update of weighting factors as described above, Initial Public Offerings (IPO) in the six months preceding the upcoming semi-annual review month are reviewed for addition to the Index.

An IPO qualifies for addition if it fulfils all the Index investment universe and Index selection criteria described in paragraph 2.2.

2.2 Investment Universe

The Index investment universe, i.e. stocks that are eligible for inclusion, is reviewed semi-annually in March and September. It comprises all stocks that

(1) are included in the Dow Jones Global Total Stock Market Index;

- (2) are listed on an exchange covered by Rabobank in Europe, the US, Latin America or Asia (the “Selected Stock Exchanges”)¹;
- (3) have their highest revenue share in one or several of the following three investment clusters: Waste Management and Recycling;
- (4) have a minimum free float market capitalization of USD 100 million; and
- (5) have a minimum first quartile liquidity over the previous six months of USD 500,000.

2.3 Investment Cluster Classification

Every stock in the “Index” universe is classified according to its highest revenue share into one of the following three investment clusters: Waste Management and Recycling

2.4 Selection

Starting from the Index investment universe, the components of the (Index) are selected based on the following steps:

Free Float Market Capitalization Ranking:

Each stock in the Index universe is ranked from highest to the lowest according to its end-of-day free float market capitalization on the last trading day of the month prior to the semi-annual review month (the market cap review date), i.e., the last trading day of February or August. For example, if there are twenty stocks in the universe, the smallest cap stock will be assigned a score of ‘1’ while the largest cap stock will be assigned a score of ‘20’.

Liquidity Ranking:

Each stock in the Index universe is ranked from highest to lowest according to its first quartile liquidity (as defined in 4.5) over the previous 6 months prior to the semi-annual review month (the liquidity review date), i.e. the last trading day of February or August. The liquidity is based on the primary exchange OR, if a company can be identified by two ISIN numbers, then the liquidity from the Rabobank approved exchange.

Initial Selection:

The 14 highest scoring stocks according to their score are selected as components of the (Index) subject to the Diversification Rule.

The score is the arithmetic average at time t for each stock of its Free Float Market Capitalization Rank and the Liquidity Rank. In the event of a tie, the stock with the highest Liquidity Rank will be ranked above the other stock(s) with the same score.

Diversification Rule:

Each of the three identified investment clusters will have a minimum of 5 highest scoring stocks. Such limits will not change through time except by a decision of the Index Committee in its absolute discretion. Such decision might be due to, but not limited to, a change in the number of clusters or a

¹ The investment universe currently comprises stocks from the following exchanges: SGX Singapore, TSE Tokyo, SEHK Hong Kong, KSE Korea, ASX Sydney, KLCI Kuala Lumpur, TSEC Taiwan, JSE Johannesburg, VIRTX + SE Zurich, ENXTAM Amsterdam, OSE Oslo, CSE Copenhagen, SAX Stockholm, SIBE + MSE Madrid, BI Affari Italy, Euronext L Lisbon, XETRA Vienna, Euronext B Brussels, HESE Helsinki, TSE Toronto, XETRA Frankfurt, Euronext P Paris, LSE London, AMEX, NSDQ Nasdaq, NYSE New York.

change in the number of stocks in the index, or if there are not enough stocks in the investment universe for an investment cluster.

In addition to the rule that all investment clusters be represented in the index, stocks that pass the initial selection and comply with the diversification rule are submitted by SAM to a Media and Stakeholder Analysis (MSA).

MSA Helps to verify a company's involvement and management of critical economic, social and environmental issues or crisis situations (covers issues such as economic crime, illicit commercial practises, human right issues, workforce conflicts, large disasters or accidents).

MSA is performed with the assistance of information provided by specialised SAM Analysts who remain in regular contact with companies, as well as information from RepRisk®, an advanced monitoring tool to filter out potential reputational risk.

Any findings that could make the stock unsuitable as an index component will be collected and, the SAM analyst for that sector decides as to the severity of the issue as well as the course of action. Should the SAM Analysts decide to disregard the respective stock, the next best ranked stock will be considered and the process reiterated until a suitable index component has been identified.

Any findings that could make the stock unsuitable as an index component will be collected and, the SAM analyst for that sector decides as to the severity of the issue as well as the course of action. Should the outcome of the MSA make the respective stock ineligible, the next best ranked stock will be considered and the process reiterated until a suitable index component has been identified.

2.5 Weighting factors

To ensure that all stocks in the index are appropriately weighted and these changes are subsequently reflected in the resulting component weights, the weighting factors for each stock in the Index are calculated on a semi-annual basis.

The calculation of the weighting factors is described in section 4.5.

2.6 The Index Committee

The Sustainable Waste Management Index Committee (the "Index Committee") will be composed of not less than three members. The Index Committee comprises at least two Rabobank professionals with extensive experience in financial markets and one SAM professional with expertise in Sustainability Investment.

The Index Committee will meet semi-annually, either in person or via teleconference, to discuss index issues and organize the semi-annual rebalancing.

The Index Committee, in its absolute discretion, may revise index policy (if required) or may modify selection criteria in the event that less than 14 stocks qualify for inclusion in the indices. All committee discussions are confidential and any release of rebalancing information will be made known to all investors at the same time. The Index Committee also has the right to add or remove any of the elements mentioned in 2.2 (2) (Selected Stock Exchanges).

The Sustainable Waste Management Index Committee is responsible for:

- Auditing the index composition at the semi-annual reviews
- Ongoing review of all extraordinary corporate actions for possible changes to the index composition

- Verifying the integrity of input price, currency rate and other related market data
- Deciding on the composition and accuracy of the Rabobank Sustainable Waste Management Index.

In particular, the Index Committee is solely responsible for all changes to the index methodology, which is detailed in the current Rabobank Sustainable Waste Management Index Guidebook.

All new indexes and changes to the index composition and methodology will be announced with a sufficient notification period before they become effective.

2.7 Role of parties

SAM will submit to Rabobank the index components before the Index Committee.

The Index Committee will meet on the first week of the rebalancing month and shall approve or reject the index constituents.

No later than the first Friday, the Index Committee, or its designee, will submit to the Calculation Agent the index components.

The Calculation Agent will provide final share weights to the Index Committee, or its designee on the Wednesday preceding the second Friday of the rebalancing month.

The Index Committee, or its designee will approve the final share weights no later than the second Friday of the rebalancing month.

3. Ongoing Maintenance

In addition to the periodic reviews, the Index is also continually reviewed for corporate events – e.g. mergers, takeovers, spin-offs, de-listings and bankruptcy - affecting the index components.

3.1 Stock Deletion

For all corporate events that result in a stock deletion from the Index the leaving stock will not be replaced. The Index will be calculated with less than 14 constituents until the next semi-annual review.

3.2 Changes due to Spin-Offs

If an Index component is split to form two or more companies, the following rules apply:

If the original stock is going to be de-listed after the spin-off, the original stock will be replaced by the eligible spun-off stock or will not be replaced according to the rules set forth in section 3.1 above.

Otherwise the original stock will remain in the index with a price adjustment and the spun-off stock will be added as an additional component with a weight factor based on the terms of the spin-off.

The deletion and addition of a component due to a spin-off is effective according to Dow Jones standards.

3.3 Changes due to Mergers & Takeovers

Component & component:

If two or more Index components merge or one Index component takes over another or several Index components, the resulting stock is included in the Index unless it no longer qualifies for the Index. The original components are deleted.

Deleted components due to a merger or takeover are not replaced according to section 3.1 above.

The deletion and replacement of any components due to a merger or take-over are effective according to Dow Jones standards.

Component & non-component:

If a Index component merges with or takes over a non-component, the following rules apply:

If the newly formed company qualifies for the Index by fulfilling all Index investment universe and Index component selection criteria as described under 2, then its stock is included in the Index with the same weight as the original stock.

If the newly formed company does not qualify for the Index, the original company's stock is replaced according to section 3.1 above.

The deletion and replacement of any components due to a merger or take-over are effective according to Dow Jones standards.

3.4 Changes due to number of shares and/or free float factors

Changes to the number of shares and/or the free float factors in-between reviews do not affect the weighting factors.

3.5 Changes due to Illiquidity

Stocks that are illiquid for the following reasons are considered for deletion from the Index:

- 10 consecutive non-trading days
- Suspension from trading
- Ongoing bankruptcy proceedings

The deleted component is not replaced according to section 3.1 above.

The changes to the composition of the Index due to illiquidity of a component are implemented according to Dow Jones standards.

3.6 Changes due to Delisting

Index components that are to be de-listed for reasons that have not already been described, will be deleted from the Index. The deleted component is not replaced according to section 3.1 above.

The changes to the composition of the Index due to delisting of a component are implemented according to Dow Jones standards.

4. Index Features & Data Dissemination

4.1 History and Index Value

The Index was launched on 1 July 2010.

Historical index values are available since 31 March 2005; the index value started with 1000.00 on launch date.

4.2 Stock Prices

The stock prices used to calculate the index are:

The opening price: the first traded price during the official trading hours of the stock's trading system; until this is available, the previous day's closing/ adjusted price is used;

The intraday price: the currently traded price during the official trading hours of the stock's trading system. As long as the stock is not traded, the last available stock price will be used.

This could either be the last available intraday stock price (e.g. if the stock is temporarily suspended) or the last available closing/ adjusted price (e.g. if the stock exchange is closed)

The closing price: the last traded price or auction price during the official trading hours of the stock's trading system. If the stock has not been traded all day, then the previous day's closing/ adjusted price is used

The adjusted price: the closing price is adjusted to reflect a stock's corporate action effective the next trading day

4.3 Currency Rates

The applicable closing currency rate for the calculation of the closing index values are the official fixed foreign exchange rates at 16:00 hrs. London time as provided by WM Company.

4.4 Dividend Treatment

The Index is available as both a net return index (Rabobank Sustainable Waste Management Net Return Index, all regular dividends are re-invested proportionately across the index constituents) and a price index (Rabobank Sustainable Waste Management Price Index, only special extraordinary or special cash dividends of stock's previous day's closing price or dividends from non-operating income are re-invested in the respective stock).

Dividend payments are included as net-of-tax dividends according to Dow Jones standards, meaning the dividend amount received after deduction of withholding taxes (www.djindexes.com/mdsidx/downloads/withholding_tax.pdf).

4.5 Weighting Factors

On each semi-annual review date the weightings of the components of the Index are obtained by calculating a weighting factor for each constituent based on free float market capitalization and first quartile liquidity over the preceding six months.

The weighting factor for each constituent is calculated two days prior to its implementation.

It is calculated as follows:

$$\text{Weight Factor}_i = \frac{1,000,000 * \text{Target Weight}_i}{\text{Price USD}_i}$$

$$\text{Target Weight}_i = \frac{\frac{M_{it} + L_{it}}{\sum_{i=1}^{20} M_{it} \sum_{i=1}^{20} L_{it}}}{2}$$

With

PriceUSD _i	= price of stock i calculated in USD
M _{it}	= Free Float Market Cap Value of stock i at time t and
L _{it}	= First Quartile Liquidity Value for stock i observed over the preceding six months to time t. The Liquidity Value at time j previous to time t is equal to:
	Price _{ij} * Trading Volume _{ij} * FX _{ij}

With

Price _{ij}	= closing price of stock i at time j as defined in 4.2
Trading Volume _{ij}	= the cumulative number of stock i traded on day j
FX _{ij}	= the Currency Rates as defined in 4.3

Another weight factor (cap factor) is applied for index components with a weight above 12%. This additional weight factor caps the component weight to the thresholds mentioned above.

4.6 Index Divisors

Index divisors for the Index are adjusted to maintain the continuity of the index's values across changes due to corporate actions and/or changes in the composition of the index.

4.7 Index Dissemination

The index dissemination calendar is determined by Dow Jones Indexes according to its standards (www.djindexes.com/symbolsandcalendars/?go=trading-calendar).

4.8 Calculation Parameters

The Index is calculated as a price and a net return index.

The Index is calculated in EUR and USD and disseminated in real-time.

5. Calculation Model

5.1 Input Data Specification

The calculation of the Index is based on the following input data:

- Stock prices (local currency)
- Currency rates
- Weighting factors
- Corporate action information and data
- Divisor

5.2 Input Data Monitoring

Various verification and audit procedures are implemented to ensure that the stock price and currency rate input-data feeds are of the highest accuracy and consistency. These procedures include:

- Data filters
- Quality assurance tools
- Verification against secondary sources

5.3 Input Data Corrections

Every effort is made to prevent erroneous input data.

Incorrect index divisors are corrected immediately if discovered on the effective day.

5.4 Data Accuracy

The accuracy of the input, computational and output data is specified below:

Exchange rates: rounded to 10 decimal places

Weighting factors: rounded to 10 decimal places

Index divisors: float numbers

Index values: rounded to 2 decimal places

5.5 Index Formula

The Index is calculated based on the following formula:

The indexes are calculated using a Laspeyres formula. This formula is used for the calculation of the price and total-return indexes. The only difference is that the divisor D_t is different for the two indexes.

The indexes are computed as follows:

$$\text{Index}_t = \frac{\sum_i^n (P_{it} \times W_{it})}{D_t} = \frac{M_t}{D_t}$$

where

n	= the number of stocks in the index
P_{it}	= the price of stock i at time (t)
W_{it}	= the weight factor of company i at time (t)
D_t	= Divisor of the index at times (t)
M_t	= market capitalization of index at time (t)

5.6 Index Divisor Adjustments

The index divisors are adjusted as follows in response to corporate actions or index composition changes:

The following formula will be used for divisor adjustments:

$$D_{t+1} = D_t \times \frac{\sum_i^n (P_{it} \times W_{it}) \pm MC_{t+1}}{\sum_i^n (P_{it} \times W_{it})}$$

where

n	= the number of stocks in the index
D_t	= divisor at time (t)
$D_t + 1$	= divisor at time (t + 1)
P_{it}	= stock price of company i at time (t)
W_{it}	= weight factor of company i at time (t)
$MC_t + 1$	= change in components' market capitalization and adjusted market capitalization (calculated with adjusted closing price and weight factors effective at time t + 1) in the index. Also includes the addition and deletion of components.

In general, a company's weight factor is adjusted to offset all price adjustments made as a result of regular corporate actions except for special cash dividends and spin-offs. Divisor adjustments resulting from the regular maintenance of the index are implemented in accordance to Dow Jones Indexes' standard procedures.

6. Disclaimer

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RABOBANK SUSTAINABLE WATER INDEX

1. Introduction

The Rabobank Sustainable Water Index (Index) tracks the performance of companies that are active in the sustainable water business. The global index comprises companies which have their biggest share of revenues in either or several of the following investment clusters: Water Infrastructure, Water Treatment, Water Utilities. The index members are the 20 largest stocks from the list of eligible companies.

The Index was launched on 1 July 2010. The selection of the index constituents is conducted by SAM Indexes – a wholly-owned subsidiary of SAM Group – following a rules-based process. Dow Jones Indexes is responsible for the index calculation and maintenance.

Four versions of the Index are available as follows:

Rabobank Sustainable Water Net Return Index in EUR (RSWTRER)

Rabobank Sustainable Water Price Index in EUR (RSWTRE)

Rabobank Sustainable Water Net Return Index in USD (RSWTRDR)

Rabobank Sustainable Water Price Index in USD (RSWTRD)

2. Periodic Review

2.1 Review Dates

Semi-Annual Review:

The composition of the Index is reviewed on a semi-annual basis. The resulting changes (i.e. additions and deletions) to the index are implemented after the closing on the third Friday in March and September and are effective on the next trading day.

To ensure that the Index is always accurate and is calculated with the most up-to-date constituent data, the component data (i.e. weighting factor) of the Index is reviewed on a semi-annual basis. The resulting changes to the index are implemented after the closing on the third Friday in March and September and are effective the next trading day.

In addition to the update of weighting factors as described above, Initial Public Offerings (IPO) in the six months preceding the upcoming semi-annual review month are reviewed for addition to the Index.

An IPO qualifies for addition if it fulfils all the Index investment universe and Index selection criteria described in paragraph 2.2.

2.2 Investment Universe

The Index investment universe, i.e. stocks that are eligible for inclusion, is reviewed semi-annually in March and September. It comprises all stocks that

(1) are included in the Dow Jones Global Total Stock Market Index;

- (2) are listed on an exchange covered by Rabobank in Europe, the US, Latin America or Asia (the “Selected Stock Exchanges”)¹;
- (3) have their highest revenue share in one or several of the following three investment clusters: Water Infrastructure, Water Treatment, Water Utilities;
- (4) have a minimum free float market capitalization of USD 100 million; and
- (5) have a minimum first quartile liquidity over the previous six months of USD 500,000.

2.3 Investment Cluster Classification

Every stock in the “Index” universe is classified according to its highest revenue share into one of the following three investment clusters: Water Infrastructure, Water Treatment, Water Utilities.

2.4 Selection

Starting from the Index investment universe, the components of the (Index) are selected based on the following steps:

Free Float Market Capitalization Ranking:

Each stock in the Index universe is ranked from highest to the lowest according to its end-of-day free float market capitalization on the last trading day of the month prior to the semi-annual review month (the market cap review date), i.e., the last trading day of February or August. For example, if there are twenty stocks in the universe, the smallest cap stock will be assigned a score of ‘1’ while the largest cap stock will be assigned a score of ‘20’.

Liquidity Ranking:

Each stock in the Index universe is ranked from highest to lowest according to its first quartile liquidity (as defined in 4.5) over the previous 6 months prior to the semi-annual review month (the liquidity review date), i.e. the last trading day of February or August. The liquidity is based on the primary exchange OR, if a company can be identified by two ISIN numbers, then the liquidity from the Rabobank approved exchange.

Initial Selection:

The 20 highest scoring stocks according to their score are selected as components of the (Index) subject to the Diversification Rule.

The score is the arithmetic average at time t for each stock of its Free Float Market Capitalization Rank and the Liquidity Rank. In the event of a tie, the stock with the highest Liquidity Rank will be ranked above the other stock(s) with the same score.

Diversification Rule:

Each of the three identified investment clusters will have a minimum of 5 highest scoring stocks. Such limits will not change through time except by a decision of the Index Committee in its absolute discretion. Such decision might be due to, but not limited to, a change in the number of clusters or a

¹ The investment universe currently comprises stocks from the following exchanges: SGX Singapore, TSE Tokyo, SEHK Hong Kong, KSE Korea, ASX Sydney, KLCI Kuala Lumpur, TSEC Taiwan, JSE Johannesburg, VIRTX + SE Zurich, ENXTAM Amsterdam, OSE Oslo, CSE Copenhagen, SAX Stockholm, SIBE + MSE Madrid, BI Affari Italy, Euronext L Lisbon, XETRA Vienna, Euronext B Brussels, HESE Helsinki, TSE Toronto, XETRA Frankfurt, Euronext P Paris, LSE London, AMEX, NSDQ Nasdaq, NYSE New York.

change in the number of stocks in the index, or if there are not enough stocks in the investment universe for an investment cluster.

In addition to the rule that all investment clusters be represented in the index, stocks that pass the initial selection and comply with the diversification rule are submitted by SAM to a Media and Stakeholder Analysis (MSA).

MSA Helps to verify a company's involvement and management of critical economic, social and environmental issues or crisis situations (covers issues such as economic crime, illicit commercial practises, human right issues, workforce conflicts, large disasters or accidents).

MSA is performed with the assistance of information provided by specialised SAM Analysts who remain in regular contact with companies, as well as information from RepRisk®, an advanced monitoring tool to filter out potential reputational risk.

Any findings that could make the stock unsuitable as an index component will be collected and, the SAM analyst for that sector decides as to the severity of the issue as well as the course of action. Should the SAM Analysts decide to disregard the respective stock, the next best ranked stock will be considered and the process reiterated until a suitable index component has been identified.

Any findings that could make the stock unsuitable as an index component will be collected and, the SAM analyst for that sector decides as to the severity of the issue as well as the course of action. Should the outcome of the MSA make the respective stock ineligible, the next best ranked stock will be considered and the process reiterated until a suitable index component has been identified.

2.5 Weighting factors

To ensure that all stocks in the index are appropriately weighted and these changes are subsequently reflected in the resulting component weights, the weighting factors for each stock in the Index are calculated on a semi-annual basis.

The calculation of the weighting factors is described in section 4.5.

2.6 The Index Committee

The Sustainable Water Index Committee (the "Index Committee") will be composed of not less than three members. The Index Committee comprises at least two Rabobank professionals with extensive experience in financial markets and one SAM professional with expertise in Sustainability Investment.

The Index Committee will meet semi-annually, either in person or via teleconference, to discuss index issues and organize the semi-annual rebalancing.

The Index Committee, in its absolute discretion, may revise index policy (if required) or may modify selection criteria in the event that less than 20 stocks qualify for inclusion in the indices. All committee discussions are confidential and any release of rebalancing information will be made known to all investors at the same time. The Index Committee also has the right to add or remove any of the elements mentioned in 2.2 (2) (Selected Stock Exchanges).

The Sustainable Water Index Committee is responsible for:

- Auditing the index composition at the semi-annual reviews
- Ongoing review of all extraordinary corporate actions for possible changes to the index composition

- Verifying the integrity of input price, currency rate and other related market data
- Deciding on the composition and accuracy of the Rabobank Sustainable Water Index.

In particular, the Index Committee is solely responsible for all changes to the index methodology, which is detailed in the current Rabobank Sustainable Water Index Guidebook.

All new indexes and changes to the index composition and methodology will be announced - with a sufficient notification period - before they become effective.

2.7 Role of parties

SAM will submit to Rabobank the index components before the Index Committee.

The Index Committee will meet on the first week of the rebalancing month and shall approve or reject the index constituents.

No later than the first Friday, the Index Committee, or its designee, will submit to the Calculation Agent the index components.

The Calculation Agent will provide final share weights to the Index Committee, or its designee on the Wednesday preceding the second Friday of the rebalancing month.

The Index Committee, or its designee will approve the final share weights no later than the second Friday of the rebalancing month.

3. Ongoing Maintenance

In addition to the periodic reviews, the Index is also continually reviewed for corporate events – e.g. mergers, takeovers, spin-offs, de-listings and bankruptcy - affecting the index components.

3.1 Stock Deletion

For all corporate events that result in a stock deletion from the Index the leaving stock will not be replaced. The Index will be calculated with less than 20 constituents until the next semi-annual review.

3.2 Changes due to Spin-Offs

If an Index component is split to form two or more companies, the following rules apply:

If the original stock is going to be de-listed after the spin-off, the original stock will be replaced by the eligible spun-off stock or will not be replaced according to the rules set forth in section 3.1 above.

Otherwise the original stock will remain in the index with a price adjustment and the spun-off stock will be added as an additional component with a weight factor based on the terms of the spin-off.

The deletion and addition of a component due to a spin-off is effective according to Dow Jones standards.

3.3 Changes due to Mergers & Takeovers

Component & component:

If two or more Index components merge or one Index component takes over another or several Index components, the resulting stock is included in the Index unless it no longer qualifies for the Index. The original components are deleted.

Deleted components due to a merger or takeover are not replaced according to section 3.1 above.

The deletion and replacement of any components due to a merger or take-over are effective according to Dow Jones standards.

Component & non-component:

If a Index component merges with or takes over a non-component, the following rules apply:

If the newly formed company qualifies for the Index by fulfilling all Index investment universe and Index component selection criteria as described under 2, then its stock is included in the Index with the same weight as the original stock.

If the newly formed company does not qualify for the Index, the original company's stock is replaced according to section 3.1 above.

The deletion and replacement of any components due to a merger or take-over are effective according to Dow Jones standards.

3.4 Changes due to number of shares and/or free float factors

Changes to the number of shares and/or the free float factors in-between reviews do not affect the weighting factors.

3.5 Changes due to Illiquidity

Stocks that are illiquid for the following reasons are considered for deletion from the Index:

- 10 consecutive non-trading days
- Suspension from trading
- Ongoing bankruptcy proceedings

The deleted component is not replaced according to section 3.1 above.

The changes to the composition of the Index due to illiquidity of a component are implemented according to Dow Jones standards.

3.6 Changes due to Delisting

Index components that are to be de-listed for reasons that have not already been described, will be deleted from the Index. The deleted component is not replaced according to section 3.1 above.

The changes to the composition of the Index due to delisting of a component are implemented according to Dow Jones standards.

4. Index Features & Data Dissemination

4.1 History and Index Value

The Index was launched on 1 July 2010.

Historical index values are available since 31 March 2005; the index value started with 1000.00 on launch date.

4.2 Stock Prices

The stock prices used to calculate the index are:

The opening price: the first traded price during the official trading hours of the stock's trading system; until this is available, the previous day's closing/ adjusted price is used;

The intraday price: the currently traded price during the official trading hours of the stock's trading system. As long as the stock is not traded, the last available stock price will be used.

This could either be the last available intraday stock price (e.g. if the stock is temporarily suspended) or the last available closing/ adjusted price (e.g. if the stock exchange is closed)

The closing price: the last traded price or auction price during the official trading hours of the stock's trading system. If the stock has not been traded all day, then the previous day's closing/ adjusted price is used

The adjusted price: the closing price is adjusted to reflect a stock's corporate action effective the next trading day

4.3 Currency Rates

The applicable closing currency rate for the calculation of the closing index values are the official fixed foreign exchange rates at 16:00 hrs. London time as provided by WM Company.

4.4 Dividend Treatment

The Index is available as both a net return index (Rabobank Sustainable Water Net Return Index, all regular dividends are re-invested proportionately across the index constituents) and a price index (Rabobank Sustainable Water Price Index, only extraordinary or special cash dividends of stock's previous day's closing price or dividends from non-operating income are re-invested in the respective stock).

Dividend payments are included as net-of-tax dividends according to Dow Jones standards, meaning the dividend amount received after deduction of withholding taxes (www.djindexes.com/mdsidx/downloads/withholding_tax.pdf).

4.5 Weighting Factors

On each semi-annual review date the weightings of the components of the Index are obtained by calculating a weighting factor for each constituent based on free float market capitalization and first quartile liquidity over the preceding six months.

The weighting factor for each constituent is calculated two days prior to its implementation.

It is calculated as follows:

$$\text{Weight Factor}_i = \frac{1,000,000 * \text{Target Weight}_i}{\text{Price USD}_i}$$

$$\text{Target Weight}_i = \frac{\frac{M_{it} + L_{it}}{\sum_{i=1}^{20} M_{it} \sum_{i=1}^{20} L_{it}}}{2}$$

With

PriceUSD _i	= price of stock i calculated in USD
M _{it}	= Free Float Market Cap Value of stock i at time t and
L _{it}	= First Quartile Liquidity Value for stock i observed over the preceding six months to time t. The Liquidity Value at time j previous to time t is equal to:
	Price _{ij} * Trading Volume _{ij} * FX _{ij}

With

Price _{ij}	= closing price of stock i at time j as defined in 4.2
Trading Volume _{ij}	= the cumulative number of stock i traded on day j
FX _{ij}	= the Currency Rates as defined in 4.3

Another weight factor (cap factor) is applied for index components with a weight above 12%. This additional weight factor caps the component weight to the thresholds mentioned above.

4.6 Index Divisors

Index divisors for the Index are adjusted to maintain the continuity of the index's values across changes due to corporate actions and/or changes in the composition of the index.

4.7 Index Dissemination

The index dissemination calendar is determined by Dow Jones Indexes according to its standards (www.djindexes.com/symbolsandcalendars/?go=trading-calendar).

4.8 Calculation Parameters

The Index is calculated as a price and a net return index.

The Index is calculated in EUR and USD and disseminated in real-time.

5. Calculation Model

5.1 Input Data Specification

The calculation of the Index is based on the following input data:

- Stock prices (local currency)
- Currency rates
- Weighting factors
- Corporate action information and data
- Divisor

5.2 Input Data Monitoring

Various verification and audit procedures are implemented to ensure that the stock price and currency rate input-data feeds are of the highest accuracy and consistency. These procedures include:

- Data filters
- Quality assurance tools
- Verification against secondary sources

5.3 Input Data Corrections

Every effort is made to prevent erroneous input data.

Incorrect index divisors are corrected immediately if discovered on the effective day.

5.4 Data Accuracy

The accuracy of the input, computational and output data is specified below:

Exchange rates: rounded to 10 decimal places

Weighting factors: rounded to 10 decimal places

Index divisors: float numbers

Index values: rounded to 2 decimal places

5.5 Index Formula

The Index is calculated based on the following formula:

The indexes are calculated using a Laspeyres formula. This formula is used for the calculation of the price and total-return indexes. The only difference is that the divisor D_t is different for the two indexes.

The indexes are computed as follows:

$$\text{Index}_t = \frac{\sum_i^n (P_{it} \times W_{it})}{D_t} = \frac{M_t}{D_t}$$

where

n = the number of stocks in the index

p_{it}	= the price of stock i at time (t)
w_{it}	= the weight factor of company i at time (t)
D_t	= Divisor of the index at times (t)
M_t	= market capitalization of index at time (t)

5.6 Index Divisor Adjustments

The index divisors are adjusted as follows in response to corporate actions or index composition changes:

The following formula will be used for divisor adjustments:

$$D_{t+1} = D_t \times \frac{\sum_i^n (P_{it} \times W_{it}) \pm MC_{t+1}}{\sum_i^n (P_{it} \times W_{it})}$$

where

n	= the number of stocks in the index
D_t	= divisor at time (t)
$D_t + 1$	= divisor at time (t + 1)
p_{it}	= stock price of company i at time (t)
w_{it}	= weight factor of company i at time (t)

$MC_t + 1$ = change in components' market capitalization and adjusted market capitalization (calculated with adjusted closing price and weight factors effective at time t + 1) in the index. Also includes the addition and deletion of components.

In general, a company's weight factor is adjusted to offset all price adjustments made as a result of regular corporate actions except for special cash dividends and spin-offs. Divisor adjustments resulting from the regular maintenance of the index are implemented in accordance to Dow Jones Indexes' standard procedures.

6. Disclaimer

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FORM OF THE NOTES

Initial Issue of Notes

Each Tranche of Notes in bearer form will be initially represented by a Temporary Global Note, in bearer form without coupons, which will be deposited on behalf of the subscribers of the relevant Notes (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream with a common depositary (the “**Common Depositary**”) for Euroclear and Clearstream, or (b) in the case of a Tranche intended to be cleared through Euroclear Netherlands, with Euroclear Netherlands, or (c) in the case of a Tranche intended to be cleared through a clearing system, as otherwise agreed between the Issuer and the relevant Dealer(s), on or about the issue date of the relevant Notes. No interest will be payable in respect of a Temporary Global Note except as provided below. Upon deposit of the Temporary Global Note with the Common Depositary, Euroclear or Clearstream will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed.

Upon registration of the Registered Notes in the name of the nominee for Euroclear and/or Clearstream and delivery of the relevant Global Certificate to the Common Depositary, Euroclear or Clearstream will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Upon the initial deposit of a Global Certificate in respect of and registration of Registered Notes in the name of a nominee for DTC and delivery of the relevant Global Certificate to the custodian for DTC, DTC will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Any payment due in respect of a Global Note or a Global Certificate will be made to each of Euroclear, Clearstream or DTC in respect of the portion of the Global Note or a Global Certificate held for its account. An accountholder with Euroclear or Clearstream with an interest in a Temporary Global Note will be required, in order to have credited to its account any portion of any payment, to present a certificate in the form set out in the Agency Agreement substantially to the effect that the beneficial owner of the relevant interest in the Global Note is not within the United States or a U.S. person (as such terms are defined by the U.S. Internal Revenue Code and the regulations promulgated thereunder).

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, DTC or any other clearing system, as the holder of a Note represented by a Global Note or Global Certificate must look solely to Euroclear, Clearstream, DTC or any other clearing system, as the case may be, for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising pursuant to the Global Notes or Global Certificates subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, DTC or such other clearing system, as the case may be. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

Exchange

1. *Temporary Global Notes.* Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (a) if the relevant Final Terms indicate that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable, in whole, but not in part, for the Definitive Notes defined and described below; and
 - (b) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.
2. *Permanent Global Notes.* Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under “Partial Exchange of Permanent Global Notes”, in part for Definitive Notes:
- (a) unless principal in respect of any Notes is not paid when due, by the Issuer giving notice to the Noteholders and the Fiscal Agent of its intention to effect such exchange; or
 - (b) if the relevant Final Terms provide that such Global Note is exchangeable at the request of the holder, by the holder giving notice to the Fiscal Agent of its election for such exchange; or
- otherwise, (i) if the Permanent Global Note is held on behalf of Euroclear or Clearstream or any other clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (ii) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.
3. *Global Certificates.* Interests in a Global Certificate will be exchangeable (free of charge), in whole but not in part, for Definitive Certificates without receipts, interest coupons or talons attached only upon the occurrence of a Registered Note Exchange Event. For these purposes, “**Registered Note Exchange Event**” means that (a) an Event of Default has occurred and is continuing, (b) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depositary for the Notes and no Alternative Clearing System is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act or (c) in the case of Notes registered in the name of a nominee for a Common Depositary for Euroclear and Clearstream, the Issuer has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 20 if a Registered Note Exchange Event occurs. In the event of the occurrence of a Registered Note Exchange Event, DTC, Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.
4. *Partial Exchange of Permanent Global Notes.* For so long as a Permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes (a) if principal in respect of any Notes is not paid when due or (b) if so provided in, and in accordance with, the Terms and Conditions (which will be set out in the relevant Final Terms) relating to Partly Paid Notes.
5. *Delivery of Notes.* On or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (a) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate nominal amount equal to that of the

whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (b) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. In this Base Prospectus, “**Definitive Notes**” means, in relation to any Global Note, the definitive Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

6. *Exchange Date.* “**Exchange Date**” means, in relation to a Temporary Global Note, the day falling on or after the expiry of 40 days after the later of the commencement of its offering and its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.
7. *Legend.* Each Temporary Global Note, Permanent Global Note and any Definitive Note, Receipt, Coupon or Talon issued in compliance with the D Rules under TEFRA will bear the following legend:

“Any United States person (as defined in the Internal Revenue Code) who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

The sections of the U.S. Internal Revenue Code referred to in the legend provide that a United States taxpayer, with certain exceptions, will not be permitted to deduct any loss, and will not be eligible for capital gains treatment with respect to any gain realised on any sale, exchange or redemption of Notes or any related Coupons.

Each Global Certificate and each Certificate issued in exchange for a beneficial interest in a Global Certificate will bear a legend applicable to purchasers who purchase the Registered Notes pursuant to Rule 144A as described under “Transfer Restrictions”.

Amendment to Terms and Conditions

The Temporary Global Notes, Permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes set out in this Base Prospectus. The following is a brief description of certain of those provisions as set forth in the Global Notes and, where indicated, the Global Certificates:

- *Payments.* No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes or Definitive Certificates is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. Condition 16(g) and Condition 13(f) will apply to the Definitive Notes only. For the

purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of “Payment Day” set out in Condition 12(f).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January.

- *Prescription.* Claims against the Issuer in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) will become void unless made within a period of five years from the date on which such payment first becomes due.
- *Meetings.* The holder of a Permanent Global Note or of the Notes represented by a Global Certificate shall (unless such Permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Permanent Global Note shall be treated as having one vote in respect of each minimum Specified Denomination of Notes for which such Global Note may be exchanged. (All holders of Registered Notes are entitled to one vote in respect of each minimum Specified Denomination of the Notes comprising such Noteholder’s holding, whether or not represented by a Global Certificate.)
- *Cancellation.* Cancellation of any Note represented by a Permanent Global Note or Global Certificate that is required to be cancelled will be effected by reduction in the nominal amount of the relevant Permanent Global Note or Global Certificate.
- *Purchase.* Notes represented by a Permanent Global Note or Global Certificate may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.
- *Issuer’s Option.* Any option of the Issuer provided for in the Terms and Conditions of any Notes while such Notes are represented by a Permanent Global Note or Global Certificate shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Terms and Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of DTC, Euroclear or Clearstream or any other clearing system, as the case may be.
- *Events of Default.* Each Global Note and Global Certificate provides that the holder thereof may cause such Global Note or Global Certificate, or a portion of it, to become due and repayable in the circumstances described in Condition 15 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note or Global Certificate that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of a Covenant executed by the Issuer on 22 June 2012 to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes represented by such Global Certificate, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

- *Notices.* So long as any Notes are represented by a Global Note or Global Certificate and such Global Note or Global Certificate is held on behalf of a clearing system, notices to the Noteholders of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Terms and Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate except that so long as the Notes are listed on Euronext Amsterdam and the rules of that exchange so require, notices shall also be published in the Daily Official List of Euronext Amsterdam.

USE OF PROCEEDS

The net proceeds of the Notes will be used by the Issuer for general corporate purposes. If in respect of any particular issue there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

REMITTANCE OF RENMINBI INTO AND OUTSIDE THE PRC

The Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to controls imposed under PRC law.

Current Account Items

Under PRC foreign exchange control regulations, current account item payments include payments for imports and exports of goods and services, payments of income and current transfers into and outside the PRC.

Prior to July 2009, all current account items were required to be settled in foreign currencies. Since July 2009, the PRC has commenced a pilot scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in five designated cities in the PRC including Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and Macau. On 17 June 2010, the PRC government promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Program of Renminbi Settlement of Cross-Border Trades (Yin Fa (2010) No. 186) (the “**Circular**”), pursuant to which (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts was expanded to cover 20 provinces and cities including Beijing, and (iii) the restriction on designated offshore districts was lifted. Accordingly, any enterprises in the designated pilot districts and offshore enterprises are entitled to use Renminbi to settle any current account items between them (except in the case of payments for exports of goods from the PRC, such Renminbi remittance may only been effected by approved pilot enterprises in designated pilot districts in the PRC). In August 2011, the PRC government further expanded Renminbi cross-border trade settlement across the PRC.

As a new regulation, the Circular will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying the Circular and impose conditions for settlement of current account items.

Capital Account Items

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of the relevant PRC authorities.

Settlements for capital account items are generally required to be made in currencies other than Renminbi. For example, foreign investors (including any Hong Kong investors) are required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contract and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or the relevant PRC parties are also generally required to make capital item payments, including payment of (i) proceeds arising from liquidations, transfers of shares and reductions of capital and (ii) interest and principal repayments to foreign investors in a foreign currency. However, the relevant PRC authorities may allow a foreign entity to make a capital contribution or a shareholder's loan to a foreign invested enterprise with Renminbi lawfully obtained by it outside the PRC and for such foreign invested enterprise to make related interest payments and principal repayment to its foreign investor outside the PRC in Renminbi on a trial basis. Such foreign invested enterprise may be required to complete registration and verification process with the relevant PRC authorities before such Renminbi remittances are authorised.

On 7 April 2011, the State Administration of Foreign Exchange (“SAFE”) published the Circular on Issues Concerning the Capital Account Items in Connection with Cross-border Renminbi (the “**SAFE Circular**”), which became effective on 1 May 2011. According to the SAFE Circular, in the event that foreign investors intend to use cross-border Renminbi (including offshore Renminbi and onshore Renminbi held in the capital

accounts of non-PRC residents) to contribute towards an onshore enterprise or to make payment for the purchase of any equity interest in an onshore enterprise from a PRC resident, such onshore enterprise shall be required to (i) submit the prior written consent obtained from the relevant Ministry of Commerce (“**MOFCOM**”) to the relevant local branches of SAFE that oversee such onshore enterprise and (ii) register for foreign invested enterprise status. Furthermore, the SAFE Circular states that any foreign debts borrowed, and any external guarantees provided, by an onshore entity (including a financial institution) denominated in RMB shall, in principle, be regulated under the current PRC foreign debt and external guarantee regime.

On 12 October 2011, MOFCOM published the Circular on Issues in Relation to Cross-border RMB Foreign Direct Investment (the “**MOFCOM RMB FDI Circular**”). In accordance with the MOFCOM RMB FDI Circular, MOFCOM and its local counterparts are authorised to approve RMB foreign direct investment (“**FDI**”) in accordance with existing PRC laws and regulations regarding foreign investment, with certain exceptions which require the preliminary approval of the applicable local counterpart of MOFCOM and the consent of MOFCOM: (i) RMB FDI with the capital contribution in Renminbi of RMB300 million or more; (ii) RMB FDI in financing guarantee, financing lease, micro financing or auction industries; (iii) RMB FDI in foreign invested investment companies, venture capital or equity investment enterprises; or (iv) RMB FDI in cement, iron & steel, electrolytic aluminium, shipbuilding or other policy sensitive sectors. In addition, RMB FDI in real estate sector is allowed following the existing rules and regulations of foreign investment in real estate, although Renminbi foreign debt remains unavailable to foreign invested real estate enterprises. The MOFCOM RMB FDI Circular also states that the proceeds of RMB FDI may not be used for investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in PRC domestic listed companies through private placements or share transfers by agreement under the PRC strategic investment regime.

On 13 October 2011, PBOC published the Measures on Administration of RMB Settlement in Relation to Foreign Direct Investment (the “**PBOC RMB FDI Measures**”), pursuant to which special approval for RMB FDI and shareholder loans which was previously required by PBOC is no longer necessary. In some cases however, post-event filing with PBOC is still necessary.

Among others things, the PBOC RMB FDI Measures provide that (i) foreign invested enterprises are required to register with the local branch of PBOC within ten working days of obtaining the relevant business licences for the purpose of Renminbi settlement, (ii) a foreign investor is allowed to open a Renminbi expense account to reimburse certain expenses before the establishment of a foreign invested enterprise, and the balance in such an account can be transferred to the Renminbi capital account of such foreign invested enterprise when it is established, (iii) commercial banks can remit a foreign investor's Renminbi proceeds from any distributions (in the form of dividends or otherwise) by its PRC subsidiaries out of the PRC after reviewing certain requisite documents, (iv) if a foreign investor intends to use its Renminbi proceeds from any distributions (in the form of dividends or otherwise) by its PRC subsidiaries, such foreign investor may open a Renminbi re-investment account to pool the Renminbi proceeds and (v) PRC parties selling stakes in domestic enterprises to foreign investors can open Renminbi accounts and receive the purchase price in Renminbi paid by such foreign investors.

The PBOC RMB FDI Measures also state that the foreign debt quota of a foreign invested enterprise constitutes its Renminbi debt and foreign currency debt owed to its offshore shareholders, offshore affiliates and offshore financial institutions, and that a foreign invested enterprise may open a Renminbi account to receive Renminbi proceeds borrowed offshore by submitting the applicable Renminbi loan contract to the relevant commercial bank and make repayments of principal of and interest on such debt in Renminbi by submitting certain documents as required to the such commercial bank.

As new regulations, the SAFE Circular, the MOFCOM RMB FDI Circular and the PBOC RMB FDI Measures will be subject to interpretation and application by the relevant PRC authorities. Furthermore, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

CLEARING AND SETTLEMENT

Book-Entry Ownership

Registered Notes

The Issuer may make applications to Clearstream and/or Euroclear for acceptance in their respective book-entry systems in respect of the Notes to be represented by a Global Certificate. Each Global Certificate deposited with a nominee for Clearstream and/or Euroclear will have an ISIN and a Common Code.

The Issuer and a relevant U.S. agent appointed for such purpose that is an eligible DTC participant may make application to DTC for acceptance in its book-entry settlement system of the Registered Notes represented by a Global Certificate. Each such Global Certificate will have a CUSIP number. Each Global Certificate will be subject to restrictions on transfer contained in a legend appearing on the front of such Global Certificate, as set out under “Transfer Restrictions”. In certain circumstances, as described below in “Transfers of Registered Notes”, transfers of interests in a Global Certificate may be made as a result of which such legend may no longer be required.

In the case of a Tranche of Registered Notes to be cleared through the facilities of DTC, the custodian, with whom the Global Certificates are deposited, and DTC will electronically record the nominal amount of the Registered Notes held within the DTC system. Investors may hold their beneficial interests in a Global Certificate directly through DTC if they are participants in the DTC system, or indirectly through organisations which are participants in such system.

Payments of the principal of, and interest on, each Global Certificate registered in the name of DTC’s nominee will be to or to the order of its nominee as the registered owner of such Global Certificate. The Issuer expects that the nominee, upon receipt of any such payment, will immediately credit DTC participants’ accounts with payments in amounts proportionate to their respective beneficial interests in the nominal amount of the relevant Global Certificate as shown on the records of DTC or the nominee. The Issuer also expects that payments by DTC participants to owners of beneficial interests in such Global Certificate held through such DTC participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants. None of the Issuer, any Paying Agent, any Exchange Agent or any Transfer Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such ownership interests.

All Registered Notes will initially be in the form of a Global Certificate. Individual Certificates will only be available in amounts of USD 100,000 (or its equivalent rounded upwards as agreed between the Issuer and the relevant Dealer(s)), or higher integral multiples of USD 1,000, in certain limited circumstances described below.

Transfers of Registered Notes

Transfers of interests in Global Certificates within DTC, Clearstream and Euroclear will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Certificate to such persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described above and under “Transfer Restrictions”, cross-market transfers between DTC, on the one hand, and directly or indirectly

through Clearstream or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the custodian, the Registrar and the Fiscal Agent.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream and Euroclear, on the other, transfers of interests in the relevant Global Certificates will be effected through the Fiscal Agent, the custodian and the Registrar receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of (i) three business days after the trade date for the disposal of the interest in the relevant Global Certificate resulting in such transfer and (ii) two business days after receipt by the Fiscal Agent or the Registrar, as the case may be, of the necessary certification or information to effect such transfer. In the case of cross-market transfers, settlement between Euroclear or Clearstream accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

For a further description of restrictions on transfer of Registered Notes, see “Transfer Restrictions”.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Registered Notes (including, without limitation, the presentation of Global Certificates for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in Global Certificates are credited and only in respect of such portion of the aggregate nominal amount of the relevant Global Certificates as to which such participant or participants has or have given such direction. However, in the circumstances described above, DTC will surrender the relevant Global Certificates for exchange for individual Certificates (which will bear the legend applicable to transfers pursuant to Rule 144A).

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a “banking organisation” under the laws of the State of New York, a member of the U.S. Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic computerised book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly.

Euroclear and Clearstream each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and

Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the Global Certificates among participants and accountholders of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Issuer nor any Paying Agent nor any Transfer Agent will have any responsibility for the performance by DTC, Clearstream or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations.

While a Global Certificate is lodged with DTC or the custodian, Registered Notes represented by individual Certificates will not be eligible for clearing or settlement through DTC, Clearstream or Euroclear.

Individual Certificates

Registration of title to Registered Notes in a name other than a depository or its nominee for Clearstream and Euroclear or for DTC will be permitted only in the circumstances set forth in “Form of the Notes — Exchange”. In such circumstances, the Issuer will cause sufficient individual Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholder(s). A person having an interest in a Global Certificate must provide the Registrar with:

- (i) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual Certificates; and
- (ii) a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous resale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Individual Certificates issued pursuant to this paragraph (ii) shall bear the legends applicable to transfers pursuant to Rule 144A.

Pre-issue Trades Settlement

It is expected that delivery of Notes will be made against payment on the relevant Issue Date, which could be more than three business days following the date of pricing. Under Rule 15c6-1 of the SEC under the Exchange Act, trades in the United States secondary market generally are required to settle within three business days (T+3), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Registered Notes in the United States on the date of pricing or the next succeeding business days until the relevant Issue Date will be required, by virtue of the fact that the Notes initially will settle beyond T+3, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices and purchasers of Notes who wish to trade Notes between the date of pricing and the relevant Issue Date should consult their own adviser.

DESCRIPTION OF BUSINESS OF RABOBANK GROUP

General

Rabobank Group is an international financial service provider operating on the basis of cooperative principles. At 31 December 2011, it comprised 139 independent local Rabobanks and their central organisation Rabobank Nederland and its subsidiaries. Rabobank Group operates in 47 countries. Its operations include domestic retail banking, wholesale banking and international retail banking, asset management, leasing and real estate. It serves approximately 10 million clients around the world. In the Netherlands, its focus is on all-finance services and, internationally, on food and agri. Rabobank Group entities have strong inter-relationships due to Rabobank's cooperative structure.

Rabobank Group's stability and creditworthiness is reflected in the ratings awarded by several rating agencies (Standard & Poor's, Moody's, Fitch and DBRS). In terms of Tier 1 capital, Rabobank Group is among the world's 30 largest financial institutions (*source: The Banker*).

Rabobank Group's cooperative core business comprises independent local Rabobanks. Clients can become members of their local Rabobank. In turn, the local Rabobanks are members of Rabobank Nederland, the supralocal cooperative organisation that advises and supports the banks in their local services. Rabobank Nederland also supervises the operations, sourcing, solvency and liquidity of the local Rabobanks. With 872 branches and 2,949 cash-dispensing machines at 31 December 2011, the local Rabobanks form a dense banking network in the Netherlands. In the Netherlands, the local Rabobanks serve approximately 6.8 million retail clients, and approximately 0.8 million corporate clients, offering a comprehensive package of financial services.

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) is the holding company of a number of specialised subsidiaries in the Netherlands and abroad. Rabobank International is Rabobank Group's wholesale bank and international retail bank.

Historically, Rabobank Group has engaged primarily in lending to the agricultural and horticultural sectors in the Dutch market. Since the 1990s, Rabobank Group has also offered a wide variety of commercial banking and other financial services not only in the Netherlands but also internationally. As part of an ongoing programme, Rabobank Group has increased both the number and type of products and services available to its customers in order to diversify from a traditional savings and mortgage-based business to become a provider of a full range of financial products and services, both in the Netherlands and internationally. To this end, Rabobank Group pursues an all-finance concept, meaning that it provides an integrated range of financial services comprising primarily domestic retail banking, wholesale banking and international retail banking, asset management, leasing, real estate and distribution of insurance products to a wide range of both individual and corporate customers. As part of this all-finance strategy, Rabobank Group focuses on operations that produce fee-based income in addition to its traditional interest-based income sources.

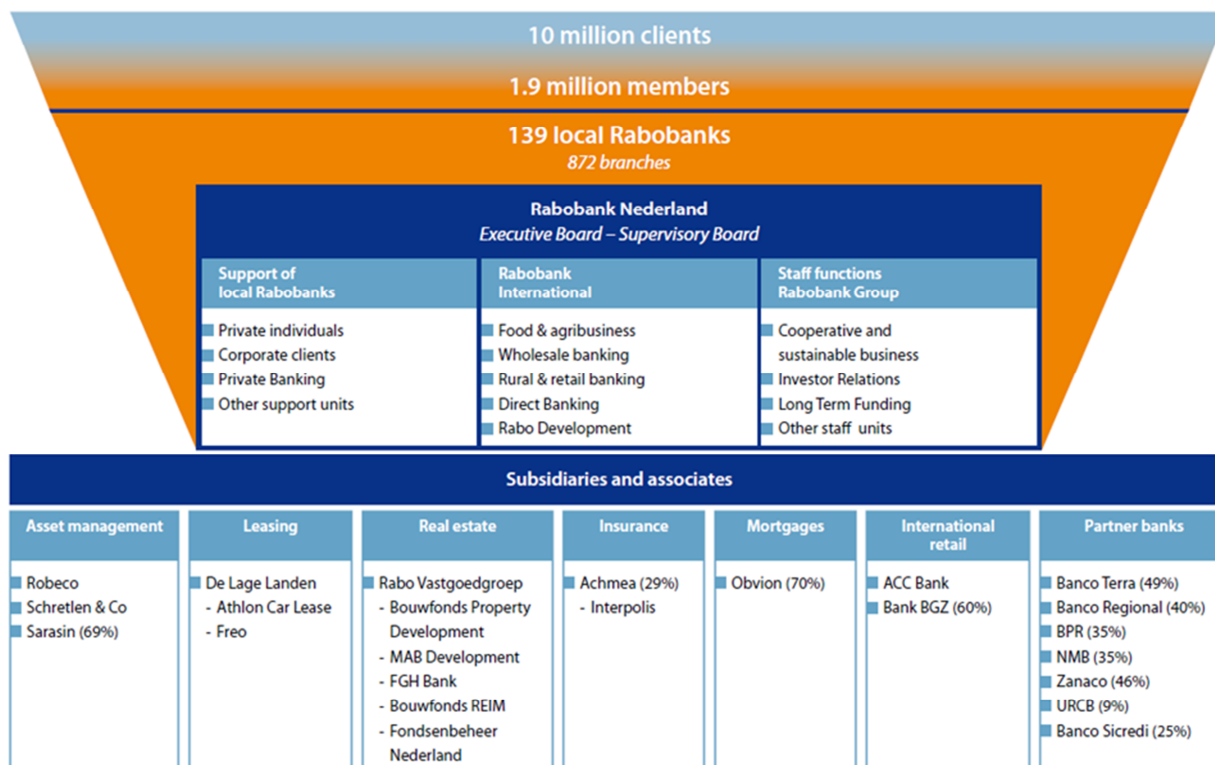
At 31 December 2011, Rabobank Group had total assets of €731.7 billion, a private sector loan portfolio of €448.3 billion, amounts due to customers of €329.9 billion, savings deposits of €140.0 billion and equity of €45.0 billion. Of the private sector loan portfolio, €212.3 billion, virtually all of which are mortgages, consists of loans to private individuals, €147.9 billion of loans to the trade, industry and services sector and €88.2 billion of loans to the food and agri sector. At 31 December 2011, its Tier 1 ratio, which is the ratio between Tier 1 capital and total risk-weighted assets, was 17.0 per cent. and its core Tier 1 ratio which is the ratio between core Tier 1 capital and total risk-weighted assets, was 12.7 per cent. For the year ended 31 December 2011, Rabobank Group's efficiency ratio, which is the ratio between total operating expenses and total income, was 65.2 per cent., and the return on equity, or net profit expressed as a percentage of Tier 1 capital, was 7.6 per cent. For the year ended 31 December 2011, Rabobank Group realised a net profit of €2,627 million and a risk-adjusted return on capital ("RAROC") of 11.8 per cent. after tax. At 31 December 2011,

Rabobank Group had 59,670 full-time employees. For the year ended 31 December 2011, the rate of absenteeism was 3.9 per cent. and Rabobank's employee satisfaction score was 86 per cent.

Rabobank Group

Rabobank Group Organisation chart

Situation at 31 December 2011



Business activities of Rabobank Group

Through Rabobank Nederland, the local Rabobanks and its subsidiaries, Rabobank Group provides services in the following five core business areas: domestic retail banking, wholesale banking and international retail banking, asset management, leasing and real estate.

Domestic retail banking

The domestic retail banking business comprises the local Rabobanks, Obvion N.V. (“**Obvion**”) and Rabohypotheekbank N.V. (“**Rabohypotheekbank**”). In the Netherlands, Rabobank is a large mortgage bank, savings bank and insurance agent. Based on internal estimates, the Group believes it is also the leading bank for the small and medium-sized enterprises sector in the Netherlands. Obvion focuses exclusively on collaboration with independent brokers.

At 31 December 2011, Rabobank Group’s domestic retail banking operations had total assets of €373.0 billion, a private sector loan portfolio of €295.8 billion, amounts due to customers of €200.1 billion and savings deposits of €116.8 billion. For the year ended 31 December 2011, Rabobank Group’s domestic retail banking operations accounted for 52 per cent., or €6,941 million, of Rabobank Group’s total income and 71 per cent., or €1,853 million, of Rabobank Group’s net profit. At 31 December 2011, Rabobank Group’s domestic retail banking operations employed approximately 27,300 full-time employees.

Local Rabobanks

The 139 (at 31 December 2011) local Rabobanks are independent cooperative entities, each with their own operating areas. With 872 branches and 2,949 cash dispensing machines at 31 December 2011, they together

comprise one of the leading local banks in the Netherlands with a dense branch network. Proximity and commitment to their clients enhances the local Rabobanks' responsiveness and speed of decision-making. Their commitment is reflected in their close ties with local associations and institutions. The local Rabobanks are committed to providing maximum service to their clients by making optimum use of different distribution channels, such as branch offices, the internet and mobile telephones. Together, the local Rabobanks serve approximately 6.8 million private clients and approximately 0.8 million corporate clients in the Netherlands with a comprehensive package of financial services. Many private individuals have current, savings and/or investment accounts and/or mortgages with the local Rabobanks. The local Rabobanks constitute a major financier of Dutch industry, from small high street shops to listed enterprises. Furthermore, the local Rabobanks traditionally have had close ties with the agricultural sector and together, they are the largest insurance broker in the Netherlands (source: Insurance Magazine Yearbook 2011 (*AM Jaarboek 2011*)).

Obvion N.V.

Obvion is a joint venture of Rabobank Group and APG (a pension assets manager). It is a provider of mortgages and a number of service products, including guarantees and bridging loans. Obvion focuses exclusively on collaboration with independent brokers.

Rabohypothekbank

Rabohypothekbank, with its statutory seat in Amsterdam, the Netherlands, provides mortgage-lending documentation services to all of the local Rabobanks and is owned 100 per cent. by Rabobank Nederland.

Rabohypothekbank also serves as a supplementary financing vehicle for the local Rabobanks in the event that they choose not to make certain mortgage loans to their customers entirely on their own, either for liquidity or lending-limit reasons or because of the nature of the required financing. The majority of Rabohypothekbank's loans are secured by mortgages on residential property. Its loans are funded by term loans from, or guaranteed by, Rabobank Nederland and by the issuance of mortgage bonds. Rabohypothekbank does not engage in the financing of real estate development. At 31 December 2011, Rabohypothekbank had assets of €7.0 billion.

Wholesale banking and international retail banking

Rabobank International

Rabobank International, which is the wholesale banking business and international retail banking business, focuses its activities on the food and agri sector. Rabobank International is a division of Rabobank Nederland and has a presence in 30 countries. Its activities are subdivided into the following regions: the Netherlands, Europe outside the Netherlands, North and South America, Australia and New Zealand and Asia. Across these regions, Rabobank International has created a number of units with global operations: Global Financial Markets, Global Client Solutions, Acquisition Finance, Renewable Energy & Infrastructure Finance, Direct Banking and Trade & Commodity Finance. For optimum service to their clients and markets, the various regions and the units with global operations work closely together. In addition to customer-focused activities, Global Financial Markets manages the trade in money market products for the day-to-day management of the liquidity position, the credit risk and the market risk of Rabobank Group and its clients. Acquisition Finance is involved in financing acquisitions by private equity companies and has a significant market share in the agricultural market. Global Client Solutions offers client-tailored products aimed at both the asset and liability sides of the balance sheet. The Renewable Energy & Infrastructure Finance department operates in the sustainable sectors wind, solar, bio fuels and biomass. The Trade & Commodity Finance department serves clients that operate in the market for agricultural products and, on a limited scale, other commodities as well. This department also offers a large number of export finance products. Direct Banking services clients with saving products in Belgium, Australia, Ireland, New Zealand and Poland.

Rabobank's retail activities are performed under the Rabobank label, with the exception of the Irish ACCBank, which is a wholly owned subsidiary, and the Polish Bank BGZ, in which Rabobank International has a 60 per cent. stake.

Over the last few years, Rabobank International has strengthened its position in retail banking. In 2010 Rabobank acquired Napa Community Bank as well as specific assets and liabilities of Butte Community Bank and Pacific State Bank in California.

In addition, Rabobank International has interests in private equity. Under the Rabo Capital label, Rabobank Group's investment unit, Rabo Private Equity, focuses on medium-sized Dutch enterprises. Its Rabo Ventures label focuses on new enterprises in the clean technology sector. Rabobank also participates in independent private equity enterprises such as Langholm and a number of Gilde funds.

At 31 December 2011, Rabobank Group's wholesale banking and international retail banking operations had total assets of €514.6 billion and a private sector loan portfolio of €106.6 billion. For the year ended 31 December 2011, Rabobank Group's wholesale banking and international retail banking operations accounted for 28 per cent., or €3,750 million, of Rabobank Group's total income and 30 per cent., or €781 million, of Rabobank Group's net profit. At 31 December 2011, Rabobank Group's wholesale banking and international retail banking operations had approximately 15,700 full-time employees.

Asset management

Rabobank Group's asset management business is handled by Robeco Group N.V. ("**Robeco**"), an asset manager with global operations, as well as by the Swiss private bank, Bank Sarasin & Cie S.A. ("**Sarasin**") and by Schretlen & Co N.V. ("**Schretlen & Co**"), a Dutch private bank. In 2011 Rabobank sold its equity interest in Sarasin and the closing is expected to take place in 2012.

At 31 December 2011, the assets under management and held in custody for clients of Rabobank Group's asset management operations amounted €263.6 billion. For the year ended 31 December 2011, Rabobank Group's asset management operations accounted for 9 per cent., or €1,144 million, of Rabobank Group's total income and 2 per cent., or €62 million, of Rabobank Group's net profit. At 31 December 2011, Rabobank Group's asset management operations had approximately 3,100 full-time employees.

Robeco Groep N.V.

Robeco was founded in Rotterdam in 1929. It provides investment products and services to both institutional and private clients around the world. Services to private individuals are provided both through banks and other distribution partners, and through direct channels. Robeco's product range includes equity and fixed-income investments and money market funds and alternative investments funds. In addition to its offices in the Netherlands, Robeco has branches in Europe, the United States, Asia and the Middle East.

Rabobank Nederland owns a 100 per cent. equity interest in Robeco. Robeco has its statutory seat in Rotterdam. Its issued and fully paid-up share capital amounted to €4,537,803 (4,537,803 shares with a nominal value of €1 each) at 31 December 2011.

For the year ended 31 December 2011, Robeco's net profit was €134 million, corresponding to a profit of €29.49 per share. At 31 December 2011, Rabobank Nederland's liabilities to Robeco amounted to €814 million (bonds), €880 million (current accounts), €2 million (loans and deposits) and €10 million (derivatives). At 31 December 2011 Rabobank Nederland's claims on Robeco amounted to €253 million (loans), €86 million (current accounts), €3 million (professional securities transactions) and €156 million (derivatives).

At 31 December 2011, Robeco managed €150.3 billion in assets.

Bank Sarasin & Cie S.A.

Founded in 1841, the Sarasin Group is one of Switzerland's leading private banks. Sarasin's shares are listed at the Swiss stock exchange SIX. The Sarasin Group prioritises sustainability. The Sarasin Group offers a high level of services and expertise as an investment advisor and asset manager for high net-worth private individuals and institutional clients. Internationally, the Sarasin Group operates in 15 countries in Europe, the Middle East and Asia. Rabobank clients have access to Sarasin's investment funds through the local Rabobanks. In 2011 Rabobank sold its equity interest in Sarasin and the closing is expected to take place in 2012.

At 31 December 2011, Sarasin managed €79.3 billion in assets.

Schretlen & Co N.V.

Schretlen & Co is the asset management specialist within Rabobank Group. The business is focused primarily on high net-worth individuals and medium-sized institutional investors in the Netherlands. Its core activities comprise asset management and advice, combined with estate planning. In addition to its head office in Amsterdam, Schretlen & Co has branches in Apeldoorn, Heerenveen, Rotterdam and Waalre. Rabobank Nederland owns a 100 per cent. equity interest in Schretlen & Co.

At 31 December 2011, Schretlen & Co managed €8.4 billion in assets.

Leasing, De Lage Landen International B.V.

De Lage Landen International B.V. ("**De Lage Landen**") is the subsidiary responsible for Rabobank Group's leasing business. It uses vendor finance to assist producers and distributors in their sales in 35 countries. With its innovative finance programmes, De Lage Landen stands out in a competitive market. In the Netherlands, it offers a broad range of lease and trade finance products, which it markets both directly and through the local Rabobanks. Through international car lease company Athlon Car Lease, De Lage Landen operates in nine countries in Europe. In the Netherlands, De Lage Landen strengthens Rabobank Group's position in the Dutch consumer credit market, in part through the Freo online brand.

Rabobank Nederland owns a 100 per cent. equity interest in De Lage Landen. De Lage Landen has its statutory seat in Eindhoven, the Netherlands. Its issued share capital amounts to €98,470,307 all of which is owned by Rabobank Nederland. At 31 December 2011, Rabobank Nederland's liabilities to De Lage Landen amounted to €1,462 million. At 31 December 2011 Rabobank Nederland's claims on De Lage Landen amounted to €24,332 million (loans, current accounts, financial assets and derivatives). All liabilities of De Lage Landen are guaranteed (through the cross guarantee system) by Rabobank Nederland and the other participants of this system.

At 31 December 2011, De Lage Landen had a loan portfolio of €28.1 billion. For the year ended 31 December 2011, De Lage Landen accounted for 10 per cent., or €1,319 million, of Rabobank Group's total income and 12 per cent., or €304 million, of Rabobank Group's net profit. At 31 December 2011 Rabobank Group's leasing operations employed approximately 5,000 full-time employees.

Real estate, Rabo Vastgoedgroep N.V.

Rabo Real Estate Group (Rabo Vastgoedgroep N.V. ("**Rabo Vastgoedgroep**")) is a prominent real estate enterprise. It operates in the private and corporate markets and has three core activities: residential and commercial real estate development, real estate finance and serving real estate investors. Bouwfonds Property Development is responsible for residential development and MAB Development for the development of commercial real estate. Financing commercial real estate is done by FGH Bank. Bouwfonds REIM is responsible for real estate related investments. In addition to these three core activities, Rabo Real Estate Group contributes to social real estate development and financing through Fondsenbeheer Nederland.

For the year ended 31 December 2011, the Rabo Real Estate Group sold 8,206 houses. At 31 December 2011 Rabo Real Estate Group managed €7.2 billion of real estate assets and its loan portfolio amounted to €19.0 billion. For the year ended 31 December 2011, the real estate operations accounted for 4 per cent., or €530 million, of Rabobank Group's total income and 2 per cent., or €40 million, of Rabobank Group's net profit. At 31 December 2011, Rabobank Group's real estate operations had approximately 1,600 full-time employees.

Participations

Achmea B.V.

Rabobank has a 29 per cent. interest in Achmea B.V. ("**Achmea**"), formerly called Eureko. Rabobank does not exercise control over Achmea and therefore does not consolidate Achmea as a subsidiary in Rabobank's financial statements. Achmea is accounted for as an associate in Rabobank's financial statements in accordance with the equity method. At 31 December 2011 Achmea had a workforce of approximately 20,900 full-time equivalents and Achmea is the market leader in the area of insurance in the Netherlands (source: Achmea Annual Report 2011), where it serves a broad customer base of private individuals as well as government agencies and corporate clients. Achmea occupies a relatively minor position outside the Netherlands, operating in seven other European countries. Rabobank and Achmea work closely together in the area of insurance. Achmea operates in the Dutch domestic market with brands including Centraal Beheer Achmea, Interpolis, Avéro Achmea, FBTO, Agis Zorgverzekeringen and Zilveren Kruis Achmea. Interpolis is the prime supplier of insurance products to clients of the local Rabobanks, offering a broad range of non-life, health and life insurance policies for both private individuals and enterprises. Serving over a million private individuals and several hundreds of thousands of enterprises, Interpolis is one of the major players in the Dutch insurance market and in the agricultural sector.

Recent developments

Sarasin sold to Safra

Rabobank sold its equity interest in Swiss-based private bank Sarasin to Safra Group for €844 million in 2011. The sale of Sarasin, which serves private clients outside the Netherlands, will allow Rabobank to sharpen its focus on its strategic core business, i.e. broad market leadership in the Netherlands and worldwide growth in the area of food and agri. This transaction is currently still subject to regulatory approval.

Rabobank acquires full ownership of Obvion

On 26 March 2012 Rabobank announced its intention to acquire the remaining shares in Obvion N.V. ("**Obvion**") from the other shareholder, Stichting Pensioenfonds ABP. Rabobank already had 70 per cent. of the voting rights in Obvion. Upon completion of this transaction Obvion will be fully owned by Rabobank. On 9 May 2012 Rabobank acquired the remaining shares in Obvion from Stichting Pensioenfonds ABP and as a result Rabobank has full ownership of Obvion as per that date.

Friesland Bank opts for merger with Rabobank

On 2 April 2012, Rabobank announced that Friesland Bank and Rabobank had reached agreement on the merger of Friesland Bank with Rabobank. For this purpose, Friesland Bank will initially become a wholly owned subsidiary of Rabobank Nederland. The merger of the customers, employees, branches and activities of Friesland Bank with the network of local Rabobanks in the Netherlands will occur during a transition period. This gradual integration is expected to take approximately two years.

Rabobank announces tender offer on Bank BGZ shares

On 11 April 2012, Rabobank announced a tender offer concerning the planned acquisition of shares in Bank BGZ. As a result of the tender offer, Rabobank intends to obtain 100 per cent. of shares conferring 100 per cent. of votes at Bank BGZ's shareholders' meeting. Rabobank will only purchase shares by means of the

tender offer if, after the tender offer, Rabobank would hold at least 75 per cent. of all Bank BGZ's shares. With such a percentage shareholding Rabobank would obtain an absolute controlling stake in Bank BGZ.

Rabobank sells substantial stake-holding in Yes Bank

On 26 April 2012, Rabobank sold the majority of its stake in private lender Yes Bank, raising approximately U.S.\$87 million. Rabobank, which owned 16.7 million shares, or a 4.73 per cent. stake, in Yes Bank as at the end of March 2012, sold 12.7 million shares in a series of market transactions. Rabobank has gradually reduced its stake in Yes Bank since June 2010.

Rabobank looking at options for Robeco

On 27 April 2012, Rabobank confirmed it was conducting a strategic review of options for Robeco. As at the date of this Base Prospectus, such review remains ongoing.

Ratings

On 14 December 2011, Fitch lowered the long-term issuer default rating (“**IDR**”) of Rabobank Group as well as of Rabobank Nederland to ‘AA’ with a stable outlook. On 23 January 2012 Standard & Poor’s affirmed the long-term counterparty credit rating of Rabobank Nederland of ‘AA’ but altered the outlook to negative, in line with the outlook for the sovereign credit rating of the Netherlands.

On 19 January 2012 DBRS confirmed the long-term deposits and senior debt rating of Rabobank Nederland of ‘AAA’.

On 23 January 2012 Standard & Poor’s affirmed the long-term counterparty credit rating of Rabobank Nederland of ‘AA’ but altered the outlook to negative, in line with the outlook for the sovereign credit rating of The Netherlands.

On 15 February 2012 Moody’s placed the long-term debt and deposit ratings of Rabobank Nederland of ‘Aaa’ on review for downgrade. As a result, on 15 June 2012 Moody’s changed the long-term debt and deposit ratings of Rabobank Nederland to ‘Aa2’ and assigned a stable outlook.

Strategy of Rabobank Group

Rabobank Group’s objectives and strategy for the period 2009-2012 are set out in the current Strategic Framework. The strategy for the period 2013-2016 was outlined in 2011. The new strategic framework will take account of a reorientation that reflects the great changes that have taken place in the banking sector in recent years and the current economic environment.

Strategic starting points

Founded in 1898, Rabobank Group has grown into one of the leading financial service providers in the Netherlands and one of the top international food and agri banks it is today. In its current Strategic Framework, Rabobank Group applies the following strategic starting points:

Rabobank is, and will continue to be, a cooperative that puts the clients’ interests first. Its structure and procedures set it apart from its competitors. Members exercise influence and control, imposing discipline on the cooperative. As part of its commitment to society, Rabobank endeavours to play a connecting role within the communities and markets in which it operates. It aims to make an active contribution in order to improve the quality of society. To this end, the bank provides financial resources and makes knowledge, media, networks and its employees available.

Rabobank Group offers a full range of financial products and services. This diversification within the group promotes financial stability. The wide range of knowledge and expertise available leads to innovation benefits

and synergies. Market leadership continues to be important to Rabobank Group. To be able to keep fulfilling the cooperative's mission in future, the bank needs to be mindful of the profitability of its services.

Rabobank aims to continue to be an independent player of stature in order to preserve its identity as a cooperative. Food and agri is a natural basis for further growth because of Rabobank's leading knowledge position in this area, which follows on logically from its agricultural origins. Rabobank Group also intends to be a global trendsetter in the fields of renewable energy and clean technology, partly with a view to supporting sustainable economic development.

Being creditworthy is vital given the current economic developments. Rabobank seeks to maintain a high level of creditworthiness with solid balance sheet ratios, healthy profitability and high Tier 1 and core Tier 1 ratios in order to access finance at relatively low cost.

Rabobank aims to make an economic, social and ecological contribution to building a sustainable society. It therefore seeks to set high standards in the areas of the environment, society and governance with regard to its services and its policy on responsible banking. Clients need to be able to see that the services they receive are responsible and transparent.

Decisions made when updating strategy

When updating its strategy for the period up to the end of 2012, Rabobank made the following decisions:

Given the change in market conditions and the stricter capital and liquidity requirements under Basel III, Rabobank Group has decided to place even greater emphasis on sound balance sheet ratios. Any increase in lending is largely dependent on growth in amounts due to customers. It is important that the local Rabobanks, Rabobank International and the subsidiaries arrange a significant portion of their funding themselves. One way of assessing whether balance sheet ratios are relatively sound is to calculate the loan-to-deposit ratio (the ratio of credit loans to amounts due to customers). This ratio improved at Rabobank Group level in 2011 owing to moderate growth in lending in combination with a sharp rise in amounts due to customers.

With regard to the Netherlands, Rabobank intends to be the leading bank across the entire spectrum of businesses. A strong position in the corporate market creates added opportunities for providing services to business owners in a private capacity. In addition, Rabobank aims to achieve further growth in the private-banking segment by means of differentiation in customer services, partnerships with subsidiaries and providing better advice. At an international level, Rabobank intends to offer the best possible services to its major Dutch clients through its extensive network.

Rabobank plans to continue to grow and develop as a cooperative. The rationale behind Rabobank is the same as its primary objective: to help customers achieve their ambitions. The client service model has been further adapted in order to enable the local Rabobanks to respond effectively to the changing needs of clients. During 2011, the range of services offered through direct channels was extended to enable customers to obtain services at a selected time and place.

Rabobank International will focus more on the core activities of Rabobank Group. In the Netherlands, this means supporting Rabobank Group's ambition to become the biggest and most important business bank in the country. Elsewhere, Rabobank International will continue to focus on the food and agri sector.

The subsidiaries will also focus increasingly on helping Rabobank Group achieve its core objectives, specifically becoming the Dutch market leader and developing its profile as the leading food and agri bank. Making full use of specialist areas of expertise and achieving healthy returns are other important roles that will continue to be fulfilled by subsidiaries and associates. In 2011, Rabobank sold its equity interest in the Swiss bank Sarasin. Following this sale, Rabobank is now in a position to concentrate more on its core business.

In order to achieve its strategic ambitions, Rabobank Group needs talented, healthy and committed employees. Based on the belief that the skills and competencies of employees are what make the difference for a business, Rabobank makes group-wide investments in training and developing its workforce.

Strategic Framework 2013-2016

The environment in which Rabobank operates has changed very significantly in recent times, partly as a result of the global financial crisis and subsequent sovereign debt crisis in recent years. There have also been many legislative and regulatory changes. Under Basel III, stricter criteria have been set for capital and liquidity to ensure banks are better able to withstand financial shocks and make the financial system more stable. The rapid pace of growth seen at Rabobank over the past decade will slow. Furthermore, fuelled by Basel III and turmoil in the financial markets, competition in the savings market has increased and savings margins have come under pressure.

The Strategic Framework for the period 2013-2016 has been prepared in light of this new economic reality. The starting point for this new framework will be sustainable banking and selective growth. The strategy continues to focus on the fact that Rabobank exists for the benefit of its customers and members. The new framework provides clarity concerning themes that are important to Rabobank, such as the interests of customers, sustainability, being perceived as an appealing employer, improving the position of banks within society, and creating synergy by bringing group entities closer together. The cooperative structure is resilient and progressive, and the cooperative structure forms a cornerstone of Rabobank's identity and approach. The new Strategic Framework will be set out in more concrete terms in the course of 2012.

Strategy for domestic retail banking

Rabobank Group's ambition is to achieve market leadership in all segments of the Dutch market. Domestic retail banking contributes fully to this ambition by offering a comprehensive range of financial products and services. Rabobank Group has a large market share in the Dutch mortgage and savings market, the market for trade, industry and services (TIS) and the agricultural sector. Rabobank serves the mortgage market with the local Rabobanks and mortgage business Obvion. Rabobank's equity interest in Achmea B.V., formerly called Eureka, was reduced from 31 per cent. to 29 per cent. in 2011. In the Netherlands, Achmea is a prominent participant in the insurance market, operating labels such as Interpolis. As a primary supplier of customers of the local Rabobanks, Interpolis offers a comprehensive range of insurance products and services for the retail mass market and small to medium enterprises ("SMEs"). Rabobank aspires to achieve profitable growth in the insurance market. Rabobank has traditionally had a unique connection with the agricultural sector, serving this sector as a financier, sparring partner and centre of expertise. Rabobank is committed to maintaining this position.

Strategy for wholesale banking and international retail banking

Rabobank International's strategy focuses on providing a broad range of services in the Netherlands and on serving the food and agri sector internationally. The strategy rests on three pillars: market leadership in the Netherlands, recognition as the global food and agri bank and leveraging of specialist knowledge and products. The underlying principle of Rabobank's strategy is to build long-term relationships with clients. In the Dutch wholesale market, Rabobank International supports the local Rabobanks in their service provision to wholesale clients. Rabobank International serves the major corporates in the Dutch corporate market. Opportunities were seized in this market in 2011 to broaden Rabobank's service provision to corporate clients and to further increase the number of these clients. In an international context, wholesale banking focuses on the food and agribusiness sector. Rabobank has traditionally played the role of knowledge bank in this sector and has the ambition of being the leading food and agri bank globally. The international wholesale banking business concentrated mainly on its existing food and agri clients in 2011. Because of its international presence and local market knowledge, it managed to streamline its customer services and meet individual customer requirements even better. The international rural and retail banking business focuses on wholesale food and agri clients and on retail clients, particularly to raise savings deposits, in a select number of leading

food and agri countries. After having expanded its retail network in key food and agri regions in 2010, Rabobank concentrates on the further integration of these operations into its existing retail activities in 2011. Rabobank contributes to making value chains in the food and agri sector more sustainable.

Strategy for asset management

Robeco and Schretlen & Co support Rabobank Group's market leadership in the Netherlands by offering a wide range of investment funds and assets management services via different distribution channels. With their broad product offering and specialised investment teams, they offer tailored investment and asset management services to a wide range of investors. Robeco, together with its subsidiaries Transtrend and Harbor Capital Advisors, provide services to large institutional investors; on an international level, they offer investment services to high net-worth individuals, among other clients. Rabobank Private Banking offers estate planning and asset management services to high net-worth clients. Responsible investing takes centre-stage in client services. Bouwfonds REIM, a division of Rabo Real Estate Group, offers property-based investment products to private and institutional investors.

Strategy for leasing

De Lage Landen's strategy is aimed at further optimising its portfolio. The strategy centres on working in tandem with other Rabobank Group entities. In the Netherlands, De Lage Landen has collaborated closely with the local Rabobanks for many years. Teamwork is emphasised in an international context too, for instance in Poland where De Lage Landen has a joint venture with Bank BGZ, and in China where Rabobank International and De Lage Landen have entered into a partnership with the Agricultural Bank of China. The OneDLL programme is designed to further intensify ties between the different divisions of De Lage Landen.

Strategy for real estate

Rabo Real Estate Group operates the following labels: Bouwfonds Property Development, MAB Development, FGH Bank, Bouwfonds REIM and Fondsenbeheer Nederland. Bouwfonds Property Development develops comprehensive residential areas and small mixed-use projects. MAB Development is a leading commercial property developer. FGH Bank specialises in property finance. Bouwfonds REIM manages real estate investment funds. Fondsenbeheer Nederland is an independent manager of seven community funds that actively strive to improve the quality of our living environment.

Rabo Real Estate Group is Rabobank Group's in-house centre of expertise in real estate. Besides its home market in the Netherlands, Rabo Real Estate Group is also a significant participant in France and Germany. Through real estate development (residential areas and commercial properties), property finance and investment management, Rabo Real Estate Group aims, in a socially responsible way, to help its clients achieve their ambitions for living, working, shopping and leisure. In doing so, Rabo Real Estate Group seeks to maintain its national and international markets positions, with controlled growth of its activities in France and Germany.

Competition

Rabobank Group competes in the Netherlands with several other large commercial banks and financial institutions, such as ABN AMRO, ING Group and SNS Reaal, and also with smaller financial institutions in specific markets. Over the last few years, banks have increased their emphasis on the credit quality of borrowers. This emphasis, combined with the deregulation of capital markets, has increased competition among banks in the Netherlands significantly. In addition, life insurance companies and pension funds in the Netherlands have become major competitors in the markets for residential mortgage loans and savings deposits. In 2008, several large commercial banks and financial institutions in the Netherlands, including ABN AMRO, ING Group and SNS Reaal, received financial support from the Dutch government. These developments may affect the competitive environment in which Rabobank Group operates in the Netherlands and Rabobank expects competition in the Dutch savings market to continue in 2012 and 2013.

The Dutch mortgage loan market is highly competitive. Driven by the tax deductibility of mortgage loan interest payments, Dutch homeowners usually take out relatively high mortgage loans. This does not necessarily indicate a high risk for banks with mortgage-lending operations. The local Rabobanks have a balanced mortgage loan portfolio with a weighted loan-to-value of approximately 67 per cent. Historically, mortgage lending in the Netherlands has been relatively low risk and all mortgage loans are collateralised. Mortgage loan defaults do not occur frequently, either in Rabobank Group's mortgage lending operations or in the Netherlands generally. Almost all mortgages in the Netherlands have a maturity of 30 years. Generally, mortgages have a long-term (greater than five years) fixed interest rate, after which period the rate is reset at the current market rate. Customers generally only have the option to prepay a certain percentage on the principal amount on their mortgage loan without incurring a penalty fee, thus reducing the interest rate risks related to mortgage loan refinancing for Rabobank Group.

Market shares in the Netherlands

As an all-finance service provider, Rabobank Group offers a comprehensive package of financial products and services. Set forth below is information regarding Rabobank Group's shares in selected markets. The percentages of market share should be read as percentages of the relevant Dutch market as a whole.

Residential mortgages: For the year ended 31 December 2011, Rabobank Group had a market share of 31.7 per cent. of the total amount of new home mortgages in the Dutch mortgage market by value (26.2 per cent. by local Rabobanks and 5.5 per cent. by Obvion; source: Dutch Land Registry Office (*Kadaster*)). Rabobank Group is the largest mortgage-lending institution in the Netherlands (measured by Rabobank's own surveys).

Saving deposits of individuals: At 31 December 2011, Rabobank Group had a market share of 38.7 per cent. of the Dutch savings market (source: Statistics Netherlands (*Centraal Bureau voor de Statistiek*)). Rabobank Group is one of the largest savings institution in the Netherlands measured as a percentage of the amount of saving deposits (source: Statistics Netherlands). Of the total saving deposits in the Netherlands, 37.3 per cent. are held by the local Rabobanks and 1.4 per cent. are held by Robeco Direct's savings bank Roparco.

Lending to small and medium-sized enterprises: At 31 December 2011, Rabobank Group had a market share of 42 per cent. of domestic loans to the trade, industry and services sector (i.e. enterprises with a turnover of less than €250 million; measured by Rabobank's own surveys).

Agricultural loans: At 31 December 2011, Rabobank Group had a market share of 83 per cent. of loans and advances made by banks to the Dutch primary agricultural sector (measured by Rabobank's own surveys).

Properties

Rabobank Nederland and the local Rabobanks typically own the land and buildings used in the ordinary course of their business activities in the Netherlands. Outside the Netherlands, some Rabobank Group entities also own the land and buildings used in the ordinary course of their business activities. In addition, Rabobank Group's investment portfolio includes investments in land and buildings. Rabobank believes that Rabobank Group's facilities are adequate for its present needs in all material respects.

Insurance

On behalf of all entities of Rabobank Group, Rabobank has taken out a group policy that is customary for the financial industry. Rabobank is of the opinion that this insurance, which is banker's blanket and professional indemnity, is of an adequate level.

Legal proceedings

Rabobank Group is involved in governmental, litigation and arbitration proceedings in the Netherlands and in foreign jurisdictions, including the United States, involving claims by and against Rabobank Group which arise in the ordinary course of its businesses, including in connection with Rabobank Group's activities as an

insurer, lender, employer, investor, financial adviser, underwriter and taxpayer during a period covering at least the previous 12 months. While it is not feasible to predict or determine the ultimate outcome of all pending or threatened proceedings and litigation, Rabobank believes that the ultimate outcome of the various proceedings and litigation already commenced, and/or any threatened proceedings and litigation, will not have a material adverse or significant effect on Rabobank Group's financial condition or profitability, given its size, balance sheet, income stream and provisioning policy.

RABOBANK GROUP STRUCTURE

Rabobank Group is an international financial services provider operating on the basis of cooperative principles. It offers retail banking, wholesale banking, asset management, leasing and real estate services. Its focus is on all-finance services in the Netherlands and on food and agri business internationally. Rabobank Group comprises independent local Rabobanks plus Rabobank Nederland, their umbrella organisation, and a number of specialist subsidiaries. Rabobank Nederland is the holding company of a number of specialised subsidiaries in the Netherlands and abroad.

The umbrella organisation of Rabobank Group, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), having its statutory seat in Amsterdam, is a cooperative entity formed primarily as a result of the merger of the two largest banking cooperative entities in the Netherlands and was incorporated with unlimited duration on 22 December 1970. A cooperative under the laws of the Netherlands has members and has the statutory objective to provide for certain material needs of its members. Rabobank Nederland was registered with the Trade Register of the Chamber of Commerce in Utrecht, the Netherlands in December 1970 under number 30046259. The executive offices are located at: Croeselaan 18, 3521 CB Utrecht, the Netherlands. The telephone number is: +31 (0)30 2160000.

Membership in Rabobank Nederland is open only to cooperative banks whose articles of association have been approved by Rabobank Nederland. In addition to being a member of Rabobank Nederland, each local Rabobank has shares in Rabobank Nederland in accordance with Article 15 of Rabobank Nederland's articles of association. The shares are fully paid up on issuance and are not permitted to be pledged, given in usufruct, or otherwise encumbered, alienated or transferred. The articles of association provide that shares may be issued only pursuant to a resolution of the General Meeting proposed by Rabobank Nederland's Executive Board and approved by its Supervisory Board. Pursuant to the articles of association, each local Rabobank is obliged, by virtue of its membership, to participate in any future issue of shares. Since 1 July 2010 the total number of outstanding shares of Rabobank has been 6,001,800 of €1,000 each. The share capital of Rabobank Nederland is €6,002 million. On the basis of a prescribed allocation formula, taking into account the total balance sheet position, Tier 1 capital and commercial profits of each local Rabobank, these shares were distributed to the members. In 2011, a dividend of €483 million, as approved by the General Meeting, was distributed to the local Rabobanks and in 2012 a dividend of €493 million is expected to be distributed to the local Rabobanks. In previous years, such distributed dividends to the local Rabobanks amounted to €438 million in 2010, €342 million in 2009, nil in 2008 and nil in 2007. At Rabobank Group level, these dividend distributions did not have, and are not expected to have, any impact on equity.

As members of Rabobank Nederland, the local Rabobanks have certain ownership rights with respect to Rabobank Nederland. However, their position with respect to ownership cannot be compared to the position of shareholders in a corporation. Pursuant to Rabobank Nederland's articles of association, if, in the event of Rabobank Nederland's liquidation, whether by court order or otherwise, its assets should prove to be insufficient to meet its liabilities, the local Rabobanks, as members of Rabobank Nederland at the time of the liquidation as well as those who ceased to be members in the year prior to the liquidation, shall be liable for the deficit in proportion to their respective last adopted balance sheet totals. If it should prove impossible to recover the share of one or more liable members or former members in the shortfall, the remaining liable parties shall be liable in the same proportion for the amount not recovered. Under the articles of association of Rabobank Nederland, the total amount for which members or former members are liable shall never exceed 3 per cent. of its last adopted balance sheet total. However, this limitation of liability under the articles of association of Rabobank Nederland does not affect the liability of the local Rabobanks under the cross-guarantee system and their liability under the compensation agreements (as described below).

Rabobank Nederland's functions within Rabobank Group can be broadly divided into several areas. Traditionally, an important task of Rabobank Nederland has been its function as a bankers' bank. Another important task is to provide service to the local Rabobanks in the form of support, advice and guidance. Rabobank Nederland negotiates rights in the name of the local Rabobanks and enters into commitments on

their behalf, provided that such commitments have the same implications for all local Rabobanks (for instance, the entering into of collective labour agreements on behalf of the local Rabobanks). Furthermore, Rabobank Nederland is entrusted with the supervision of the local Rabobanks pursuant to the provisions of the Financial Supervision Act (*Wet op het financieel toezicht*). Finally, Rabobank Nederland operates its own banking business, both complementary to and independent of the business of the local Rabobanks and is the holding company of various subsidiaries.

At 31 December 2011, the number of local Rabobanks was 139. The local Rabobanks are organised as cooperative entities under the laws of the Netherlands and draw all of their members from their customers. At 31 December 2011, the local Rabobanks had approximately 1,862,000 members. Members of the local Rabobanks do not make capital contributions to the local Rabobanks and are not entitled to the equity of the local Rabobanks. Members are not liable for any obligations of the local Rabobanks.

For regulatory and financial reporting purposes, Rabobank Nederland and the local Rabobanks, as well as the participating subsidiaries, are treated as one consolidated entity.

Relationship between Rabobank Nederland and the local Rabobanks

The Rabobank Nederland cooperative and its members

Rabobank Nederland was established for the support of the local Rabobanks' banking business and act as their bankers' bank. In addition, Rabobank Nederland acts as supervisor of the local Rabobanks, partly on behalf of the Dutch supervisory authorities. Only banks that have a cooperative structure and whose Articles of Association have been approved by Rabobank Nederland can be members of Rabobank Nederland. The local Rabobanks also hold shares in the capital of Rabobank Nederland. In turn, the local Rabobanks have members as well, who are local clients. The local Rabobanks have strictly defined rights and obligations towards Rabobank Nederland and each other that are reflected in the governance structure.

Supervision of local Rabobanks

Pursuant to the prudential supervision part of the Financial Supervision Act and under Rabobank Nederland's Articles of Association and the Articles of Association of the local Rabobanks, Rabobank Nederland supervises the local Rabobanks on the control over and the integrity of their operations, sourcing, solvency and liquidity. In addition, under the conduct supervision part of the Financial Supervision Act, Rabobank Nederland has been appointed by the Dutch Ministry of Finance as the holder of a collective license that also includes the local Rabobanks. Thus, the supervision of conduct by the AFM is exercised through Rabobank Nederland.

Internal liability (cross-guarantee system)

Rabobank Group consists of the local Rabobanks, their central organisation Rabobank Nederland and its subsidiaries and other affiliated entities. Through their mutual financial association, various legal entities within Rabobank Group collectively make up a single organisation. An internal liability relationship exists between these legal entities, as referred to in Article 3:111 of the Financial Supervision Act. This relationship is formalised in an internal cross-guarantee system (*kruislingse garantieregeling*), which stipulates that if a participating institution has insufficient funds to meet its obligations towards its creditors, the other participants must supplement that institution's funds in order to enable it to fulfil those obligations. Within Rabobank Group the participating entities are:

Rabobank Nederland
Local Rabobanks
Rabohypotheekbank N.V.
Raiffeisenhypotheekbank N.V.
De Lage Landen Financial Services B.V.
De Lage Landen Financiering B.V.

De Lage Landen International B.V.
De Lage Landen Trade Finance B.V.
Schretlen & Co N.V.

The local Rabobanks are also parties to several compensation agreements whereby shortfalls of local Rabobanks with respect to equity, profitability, loan loss reserves and financing losses are financed by charging all other local Rabobanks.

403 Declaration

Rabobank Nederland has assumed liability for the debts arising from legal transactions of a number of Rabobank Group companies under section 2:403 of the Dutch Civil Code (*Burgerlijk Wetboek*).

Rabobank Nederland's activities

Capital adequacy and liquidity

The cross-guarantee system operates in concert with the regulatory and administrative supervision of the local Rabobanks by Rabobank Nederland. Notwithstanding the fact that Rabobank Nederland and the local Rabobanks are supervised by the Dutch Central Bank (*De Nederlandsche Bank N.V.*) on a consolidated basis, based on Article 3:111 of the Financial Supervision Act, Rabobank Nederland has responsibility for ensuring compliance by the local Rabobanks with the applicable capital adequacy and liquidity regulations. The capital adequacy regulations are intended to preserve a bank's ability to withstand loan losses and other business risks through reserves and retained earnings. The internal standards actually applied by Rabobank Nederland, however, are more conservative than the regulations promulgated by the law. This policy partly reflects the fact that local Rabobanks, which cannot raise new capital by issuing shares, can only grow and maintain an appropriate ratio of reserves to total liabilities by making profits. Any local Rabobank whose ratio of reserves to total liabilities fails to meet internal solvency standards is subject to stricter supervision by Rabobank Nederland. In particular, Rabobank Nederland may restrict such local Rabobank's authority to make lending decisions within Rabobank Group's lending limits.

The local Rabobanks are permitted to have accounts only with Rabobank Nederland, which is the sole outlet for each local Rabobank's excess liquidity and acts as treasurer to the local Rabobanks.

Supervision on market conduct

Pursuant to section 2:105 of the Financial Supervision Act, Rabobank Nederland has been designated by the Minister of Finance (*Ministerie van Financiën*) as an undertaking which is deemed to have a collective licence, applying both to itself and to all local Rabobanks. As a consequence of this collective licence, the supervision by the AFM, as far as compliance with the rules on market conduct pursuant to the Financial Supervision Act is concerned, will be directed at Rabobank Nederland. In turn, Rabobank Nederland plays a central role in the supervision of the conduct of the local Rabobanks.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the financial statements and the notes thereto of Rabobank Group incorporated by reference into this Base Prospectus. Certain figures for Rabobank Group at and for the year ended 31 December 2010 included in the following discussion have been restated as a result of changes in accounting policies and presentation. See below "Change in accounting policies and certain restatements" for further information. As of 2005, the financial statements have been prepared in accordance with IFRS as adopted by the European Union. The financial data in the (sub) paragraphs in this chapter marked with an asterisk () has not been directly extracted from the audited financial statements but instead is unaudited and derived from the accounting records of Rabobank Nederland, unless otherwise stated.*

Business overview*

Rabobank Group is an international financial service provider operating on the basis of cooperative principles. At 31 December 2011, it comprised 139 independent local Rabobanks and their central organisation Rabobank Nederland and its subsidiaries. Rabobank Group operates in 47 countries. Its operations include domestic retail banking, wholesale banking and international retail banking, asset management, leasing and real estate. It serves approximately 10 million clients around the world. In the Netherlands, its focus is on all-finance services and, internationally, on food and agri. Rabobank Group entities have strong relationships due to Rabobank's cooperative structure. At 31 December 2011, Rabobank Group had total assets of €731.7 billion and 59,670 full-time employees.

Rabobank Group's stability and creditworthiness is reflected in the ratings awarded by several rating agencies (Standard & Poor's, Moody's, Fitch and DBRS). In terms of Tier 1 capital, Rabobank Group is among the world's 30 largest financial institutions (source: *The Banker*).

Rabobank Nederland, the local Rabobanks and certain subsidiaries in Rabobank Group are linked through a "cross-guarantee system". The cross-guarantee system provides for intra-group credit support among Rabobank Nederland, all local Rabobanks and certain of Rabobank Group's subsidiaries that are the other participating institutions. Under the cross-guarantee system, funds are made available by each participating institution if another participant suffers a shortfall in its funds. If a participating institution is liquidated and has insufficient assets to cover its liabilities, the other participating institutions are liable for its debts. For more details, see "Rabobank Group Structure — Internal liability (cross-guarantee system)".

The independent local Rabobanks make up Rabobank Group's cooperative core business. Clients can become members of their local Rabobank. In turn, the local Rabobanks are members of Rabobank Nederland, the supralocal cooperative organisation that advises and supports the banks in their local services. Rabobank Nederland also supervises the operations, sourcing, solvency and liquidity of the local Rabobanks. With 872 branches and 2,949 cash-dispensing machines at 31 December 2011, the local Rabobanks form a dense banking network in the Netherlands. In the Netherlands, the local Rabobanks serve approximately 6.8 million retail clients and approximately 0.8 million corporate clients, both private and corporate, offering a comprehensive package of financial services.

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) is the holding company of a number of specialised subsidiaries in the Netherlands and abroad. Rabobank International is Rabobank Group's wholesale bank and international retail bank.

Factors affecting results of operations

General market conditions*

Rabobank Group's results of operations are affected by a variety of market conditions, including economic cycles, fluctuations in stock markets, interest rates and exchange rates, and increased competition. Banks are

still facing persistent turmoil in financial markets following the European sovereign debt crisis that arose in the first half of 2010. Moreover, renewed tensions surrounding Iran's nuclear program, associated with the release of a new report of the International Atomic Energy Agency in November 2011, and the continuing social unrest (which started in the beginning of 2011) in certain Middle Eastern countries, particularly Syria, may also cause adverse economic effects which may adversely impact the Rabobank Group. In the Netherlands, competition for savings is likely to continue. The limited growth of the Dutch economy impacted Rabobank Group's growth in lending and resulted in loan losses above Rabobank Group's long-term average.

In 2011, 62 per cent. of Rabobank Group's total income was derived from its Dutch operations. Accordingly, changes in the Dutch economy, the levels of Dutch consumer spending and changes in the Dutch real estate, securities and other markets may have a material effect on Rabobank Group's operations. However, because of Rabobank Group's high level of product diversification, it has not experienced major fluctuations in its levels of profitability in the past. Outside of the Netherlands, the markets Rabobank Group focuses on, i.e. principally food and agri, are impacted by business cycles only in a limited way.

Although Rabobank Group expects that the foregoing factors will continue to affect its consolidated results of operations, it believes that the impact of any one of these factors is mitigated by its high level of product diversification. However, a protracted economic downturn in the Netherlands or Rabobank Group's other major markets could have a material negative impact on its results of operations. See "Risk Factors — Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme — Business and general economic conditions".

Stock market fluctuations

Since the outbreak of the financial crisis in the second half of 2007, equity markets have been adversely affected. A decline in the stock markets could adversely affect Rabobank Group's results of operations and its financial assets.

Interest rates

Changes in prevailing interest rates (including changes in the difference between the levels of prevailing short-term and long-term rates) can materially affect Rabobank Group's results. For example, a low interest rate environment could adversely affect the Rabobank Group's results, as due to the structure of its balance sheet, Rabobank has a significant level of non- and low-interest bearing liabilities (its reserves, balances on payment accounts and current accounts). Generally, a sustained period of lower interest rates will reduce the yields on the assets that are financed with these liabilities. Conversely, rising interest rates should, over time, increase investment income but may, at the same time, reduce the market value of pre-existing investment portfolios. Rising rates can also lead to higher or lower interest margins depending on whether Rabobank Group's interest-earning assets re-price at a faster rate than interest-bearing liabilities or the degree to which the spreads on assets or liabilities narrow or widen. Although interest rates may start an upward trend if a final solution to the European sovereign debt crisis materialises. Rabobank expects that the relatively low interest rate environment that it faced in the recent past is likely to continue in 2012, with a corresponding impact on Rabobank Group's results.

As discussed under "Risk Management — Interest rate risk", Rabobank Group generally takes a limited interest rate position that is managed within strict limits and designed to take advantage of expected changes in interest rates and the yield curve.

Critical accounting policies

The accounting policies that are most critical to Rabobank Group's business operations and the understanding of its results are identified below. In each case, the application of these policies requires Rabobank to make complex judgements based on information and financial data that may change in future periods, the results of which can have a significant effect on Rabobank Group's results of operations. As a result, determinations regarding these items necessarily involve the use of assumptions and judgements as to future events and are

subject to change. Different assumptions or judgements could lead to materially different results. See the footnotes to the audited consolidated financial statements incorporated by reference into this Base Prospectus for additional discussion of the application of Rabobank Group's accounting policies.

Value adjustments

Rabobank regularly assesses the adequacy of the allowance for loan losses by performing ongoing evaluations of the loan portfolio. Rabobank's policies and procedures to measure impairment are IFRS compliant. Rabobank considers a loan to be impaired when, based on current information and events, it is probable that Rabobank will not be able to collect all amounts due (principal and interest) according to the original contractual terms of the loan.

Rabobank distinguishes:

- Specific allowances for impaired corporate loans. For these loans, impairment is measured on a case-by-case basis. Once a loan is identified as impaired, the impairment amount is measured as the difference between the carrying amount and the recoverable amount of the loan. The recoverable amount equals the present value of expected future cash flows discounted at the loan's effective rate.
- Collective allowances for loans that are not significant enough to be assessed individually. Retail portfolios of loans that are not individually assessed for impairment are grouped into pools, based on similar risk characteristics, and are collectively assessed for impairment. The allowance is set using IFRS-adjusted Basel II parameters.
- An Incurred But Not Reported ("IBNR") allowance for losses on loans that have been incurred but have not yet been individually identified at the balance sheet date. Non-impaired loans are included in groups with similar risk characteristics and are collectively assessed for the potential losses, based on IFRS-adjusted expected loss parameters. Furthermore, factors are used which assume that within three to six months impairment will be discovered.

The impairment amount thus determined is recorded in the profit and loss account as a bad debt cost with the corresponding credit posted as an allowance against the loan balance in the balance sheet.

The Provisioning Committee headed by the CFO decides twice a year on allowance-taking for all impaired loans above a certain threshold (currently over €45 million) or with an allowance above a pre-determined threshold (currently over €15 million).

Trading activities

Rabobank's trading portfolio is carried at fair value based on market prices or model prices if the market prices are not available. The market value of financial instruments in Rabobank Group's trading portfolio is generally based on listed market prices or broker-dealer price quotations. If prices are not readily determinable, fair value is based on valuation models. The fair value of certain financial instruments, including OTC derivative instruments, are valued using valuations models that consider, among other factors, contractual and market prices, correlations, time value, credit, yield curve volatility factors and/or prepayment rates of the underlying positions.

Change in accounting policies

As a result of changes in accounting policies and presentation, certain figures for Rabobank Group for the year ended 31 December 2010 in this Base Prospectus have been restated, see the Consolidated Financial Statements 2011 Rabobank Group, under note 2.1.1, "Changes in accounting policies and presentation". Where the year ended 31 December 2011 is compared with the year ended 31 December 2010, the restated figures for 2010 are discussed.

Results of operations

The following table sets forth certain summarised financial information for Rabobank Group for the years indicated:

	Year ended 31 December		
	2011	2010	2009
	<i>(in millions of euro)</i>		
Interest	9,229	8,614	8,075
Commission	2,981	2,831	2,575
Other results	1,168	1,271	1,784
Total income	13,378	12,716	12,434
Staff costs	5,141	4,919	4,603
Other administrative expenses	3,001	2,706	2,908
Depreciation and amortisation	578	571	527
Operating expenses	8,720	8,196	8,038
Gross result	4,658	4,520	4,396
Value adjustments	1,606	1,234	1,959
Operating profit before taxation	3,052	3,286	2,437
Taxation	425	514	229
Net profit	2,627	2,772	2,208

Year ended 31 December 2011 compared to year ended 31 December 2010

Total income. Rabobank Group's total income increased 5 per cent. in 2011, rising to €13,378 million compared to €12,716 million in 2010.

Interest. Due to an increase in lending and higher margins at De Lage Landen and FGH Bank interest income increased 7 per cent. to €9,229 million in 2011 compared to €8,614 million in 2010.

Commission. Commission increased 5 per cent. to €2,981 million in 2011 compared to €2,831 million in 2010, as commissions on payment transactions and loans increased.

Other results. Other results fell significantly in 2011 to €1,168 million compared to €1,271 million in 2010. Impairments on land suffered by the real estate business and lower income from the equity interest in Achmea drove the 8 per cent. drop in other results.

Operating expenses. Rabobank Group's operating expenses rose by 6 per cent. in 2011 to €8,720 million compared to €8,196 million in 2010, mainly due to an increase in staff costs.

Staff costs. Staff costs increased by 5 per cent. to €5,141 million in 2011 compared to €4,919 million in 2010. Staff costs rose due to a larger employee base, periodic salary increases and higher pension costs.

Other administrative expenses. Other administrative expenses rose by 11 per cent. to €3,001 million in 2011 compared to €2,706 million in 2010. The administrative expenses rose, in part, due to higher IT and marketing expenses.

Depreciation and amortisation. Depreciation and amortisation charges increased 1 per cent. to €578 million in 2011 compared to €571 million in 2010.

Value adjustments. Rabobank Group saw its bad debt costs increase in 2011 as a result of the climate of economic adversity. Various customer groups hit a rough patch in the second half of 2011 in particular. The continuing poor property market conditions fuelled a rise in bad debt costs in the real estate business. Rabobank International's bad debt costs remained high because of sustained losses suffered by Irish-based ACCBank due to the weak economy and property market. The local Rabobanks were forced to form additional provisions for greenhouse horticulture in 2011 as a result of the EHEC crisis, pursuant to which the EHEC-bacteria caused problems for a part of Rabobank's customers in the Dutch greenhouse horticulture sector. On aggregate, value adjustments were up 30 per cent. at Group level, rising to €1,606 in 2011 compared to €1,234 million in 2010. At 37 basis points of average lending (2010: 29 basis points), bad debt costs were 13 basis points above the long-term average of 24 basis points (based on the period 2001 to 2010).

Taxation. The recognised tax expense was €425 million in 2011 compared to €514 million in 2010, which corresponds to an effective tax rate of 13.9 per cent. (2010: 15.6 per cent.).

Net profit. Net profit decreased by 5 per cent. to €2,627 million in 2011 compared to €2,772 million in 2010. An amount of €1,549 million (in 2010: €1,846 million) remains net of non-controlling interests and payments on Rabobank Member Certificates (Rabobank Ledencertificaten) (the depository receipts of participation rights directly issued by Rabobank Nederland ("**Rabobank Member Certificates**")) and hybrid equity instruments. This amount was used to improve Rabobank's capital position.

Year ended 31 December 2010 compared to year ended 31 December 2009

Total income. Rabobank Group's total income increased 2 per cent. in 2010, rising to €12,716 million compared to €12,434 million in 2009.

Interest. Due to recovered margins on savings deposits and an increase in lending, interest income increased 7 per cent. to €8,614 million in 2010 compared to €8,075 million in 2009.

Commission. Commission increased 10 per cent. to €2,831 million in 2010 compared to €2,575 million in 2009. Asset management fees rose because more assets were managed for clients.

Other results. Other results fell sharply in 2010 to €1,271 million compared to €1,784 million in 2009. Other results had been relatively high in 2009 due mainly to the amortisation of actuarial gains and the repurchase of debt securities.

Operating expenses. Rabobank Group's operating expenses rose by 2 per cent. in 2010 to €8,196 million compared to €8,038 million in 2009, mainly due to an increase in staff costs because of the devaluation of the euro.

Staff costs. Staff costs increased by 7 per cent. to €4,919 million in 2010 compared to €4,603 million in 2009. Staff costs rose notably at Rabobank International and, to a lesser extent, at De Lage Landen because of the depreciation of the euro. Higher pension costs also contributed to the rise in staff costs.

Other administrative expenses. Other administrative expenses dropped by 7 per cent. to €2,706 million in 2010 compared to €2,908 million in 2009. The administrative expenses dropped due to tighter group-wide cost control and lower costs incurred for the deposit guarantee system.

Depreciation and amortisation. Depreciation and amortisation charges increased 8 per cent. to €571 million in 2010 compared to €527 million in 2009.

Value adjustments. Many of Rabobank Group's corporate clients were able to improve their financial position. As a result, Rabobank made considerably fewer allocations on balance to the allowance for loan losses. Bad debt costs were down mainly at the local Rabobanks, Rabobank International and De Lage Landen. At Group level, value adjustments dropped by 37 per cent., falling to €1,234 million in 2010 compared to €1,959 million in 2009. At 29 basis points of average lending (2009: 48 basis points), bad debt costs were still slightly above the long-term average of 23 basis points (based on the period 2000 to 2009).

Taxation. The recognised tax expense was €514 million in 2010 compared to €229 million in 2009, which corresponds to an effective tax rate of 15.6 per cent. (2009: 9.4 per cent.).

Net profit. Net profit increased by 26 per cent. to €2,772 million in 2010 compared to €2,208 million in 2009 primarily due to lower bad debt costs, but also because of higher interest income and a moderate rise in expenses. An amount of €1,846 million (in 2009: €1,395 million) remained net of non-controlling interests and payments on Rabobank Member Certificates and hybrid equity instruments. This amount was used to bolster Rabobank's capital position.

Segment discussion*

Domestic retail banking

The following table sets forth certain summarised financial information for Rabobank Group's domestic retail banking business for the years indicated:

	Year ended 31 December		
	2011	2010	2009
	(in millions of euro)		
Interest	5,218	4,894	4,360
Commission	1,357	1,321	1,261
Other results	366	294	505
Total income	6,941	6,509	6,126
Staff costs	2,258	2,161	2,196
Other administrative expenses	1,609	1,553	1,569
Depreciation and amortisation	119	119	133
Operating expenses	3,986	3,833	3,898
Gross result	2,954	2,676	2,228
Value adjustments	648	358	721
Operating profit before taxation	2,307	2,318	1,507
Taxation	454	475	294
Net profit	1,853	1,843	1,213

Year ended 31 December 2011 compared to year ended 31 December 2010

Total income. Domestic retail banking total income increased by 7 per cent., rising to €6,941 million in 2011, compared to €6,509 million in 2010.

Interest. Interest income increased 7 per cent. to €5,218 million in 2011, compared to €4,894 million in 2010, due, in part, to growth in lending and amounts due to customers.

Commission. Commission showed a 3 per cent. rise to €1,357 million in 2011, compared to €1,321 million in 2010.

Other results. An increase in share capital contributed by the local Rabobanks to Rabobank Nederland caused higher dividend distributions by Rabobank Nederland to the local Rabobanks in 2011. This was one of the reasons for the 25 per cent. rise of other results to €366 million in 2011, compared to €294 million in 2010.

Operating expenses. Total operating expenses for domestic retail banking increased 4 per cent. in 2011, rising to €3,986 million in 2011, compared to €3,833 million in 2010, principally as a result of an increase in staff costs.

Staff costs. The costs of hiring external staff were higher than in 2010. Extra staff were needed to implement the measures dictated by new rules and regulations, and to fill temporary vacancies. Another factor contributing to the 4 per cent. increase in staff costs to €2,258 million in 2011, compared to €2,161 million in 2010, was the salary increase under the collective bargaining agreement.

Other administrative expenses. Other administrative expenses increased 4 per cent. to €1,609 million in 2011, compared to €1,553 million in 2010.

Depreciation and amortisation. At €119 million in 2011, compared to €119 million in 2010, depreciation and amortisation were stable.

Value adjustments. Due, in part, to the EHEC crisis in greenhouse horticulture, bad debt costs witnessed a slight increase in the first half of 2011 despite economic growth and the reasonable outlook at the time. There was a considerable downturn in the economy, however, in the second half of the year, causing value adjustments to rise further by 81 per cent. to reach €648 million in 2011, compared to €358 million in 2010. At 22 (2010: 13) basis points of average lending, bad debt costs were above the long-term average of 12 basis points, based on the period 2001 to 2010. Of lending, 69 per cent. is comprised of residential mortgage loans. Bad debt costs on residential mortgage loans stood at 3 (2010: 4) basis points.

Taxation. Taxation decreased in 2011 by €21 million to €454 million compared to €475 million in 2010.

Net profit. Net profit increased by 1 per cent. to €1,853 million in 2011 compared to €1,843 million in 2010. Year ended 31 December 2010 compared to year ended 31 December 2009.

Total income. Domestic retail banking total income increased by 6 per cent., rising to €6,509 million in 2010, compared to €6,126 million in 2009.

Interest. Interest income increased 12 per cent. to €4,894 million in 2010, compared to €4,360 million in 2009, as a result of recovered margins, particularly on savings deposits.

Commission. Commission showed a limited 5 per cent. rise to €1,321 million in 2010, compared to €1,261 million in 2009, in part as a result of the issue of new products.

Other results. Other results were comprised mostly of dividends from Rabobank Nederland; this item amounted to €294 million in 2010, compared to €505 million in 2009.

Operating expenses. Total operating expenses at domestic retail banking decreased 2 per cent. in 2010, falling to €3,833 million in 2010, compared to €3,898 million in 2009, principally as a result of a decrease in staff costs.

Staff costs. There was a decline in costs of contract staff and other staff costs. The headcount was down 4 per cent. to 27,322 full time employees (2009: 28,529). Owing to these developments, staff costs fell by 2 per cent. on balance to €2,161 million in 2010, compared to €2,196 million in 2009.

Other administrative expenses. At €1,553 million in 2010, compared to €1,569 million in 2009, other administrative expenses were virtually stable.

Depreciation and amortisation. Depreciation charges on real estate and equipment were lower in 2010, as a result of which depreciation and amortisation decreased by 11 per cent., dropping to €119 million, compared to €133 million in 2009.

Value adjustments. The economic recovery of 2010 was reflected in developments in bad debt costs at domestic retail banking, which dropped compared to 2009. Value adjustments fell by 50 per cent. to €358 million, compared to €721 million in 2009. This corresponds to 13 (2009: 26) basis points of average lending, which was closer to the long-term average of 11 basis points (based on the period 2000 to 2009). Of total lending, 69 per cent. is comprised of home mortgage loans. Bad debt costs on home mortgage loans were low at 4 basis points.

Taxation. Taxation increased in 2010 by €181 million to €475 million compared to €294 million in 2009.

Net profit. Net profit increased by 52 per cent. to €1,843 million in 2010 compared to €1,213 million in 2009.

Wholesale banking and international retail banking

The following table sets forth certain summarised financial information for Rabobank Group's wholesale banking and international retail banking business for the years indicated:

	Year ended 31 December		
	2011	2010	2009
	<i>(in millions of euro)</i>		
Interest	2,957	2,813	2,955
Commission	586	460	488
Other results	207	306	(63)
Total income	3,750	3,579	3,380
Staff costs	1,116	1,020	998
Other administrative expenses	847	811	691
Depreciation and amortisation	109	108	94
Operating expenses	2,072	1,939	1,783
Gross result	1,678	1,640	1,597
Value adjustments	686	597	940
Operating profit before taxation	992	1,043	657
Taxation	211	269	91

	Year ended 31 December		
	2011	2010	2009
	<i>(in millions of euro)</i>		
Net profit	781	774	566

Year ended 31 December 2011 compared to year ended 31 December 2010

Total income. Total income at Rabobank International increased by 4.8 per cent. to €3,750 million in 2011 compared to €3,579 million in 2010, due chiefly to a rise in interest income.

Interest. Interest income rose by 5 per cent. to €2,957 million in 2011, compared to €2,813 million in 2010. Growth in lending contributed to an increase in interest income.

Commission. Commission increased by 27 per cent. to €586 million compared to €460 million in 2010.

Other results. Other results were favourable in 2010 because of the sale of part of the equity interest in Yes Bank. In 2011 other results fell by 32 per cent. to €207 million, compared to €306 million in 2010.

Operating expenses. Rabobank International's total operating expenses increased by 7 per cent. to €2,072 million, compared to €1,939 million in 2010.

Staff costs. Periodic salary increases and an increase in the employee base of 4 per cent. caused staff costs to rise to €1,116 million in 2011, compared to €1,020 in 2010.

Other administrative expenses. Acquisitions in 2010 resulted in extra integration expenses in 2011. Higher information technology and marketing expenses were a factor in the 4 per cent. rise in other administrative expenses to €847 million in 2011, compared to €811 million in 2010.

Depreciation and amortisation. Depreciation and amortisation stood at €109 million, compared to €108 million in 2010.

Value adjustments. Value adjustments at Rabobank International were up 15 per cent. in 2011, reaching €686 million, compared to €597 million in 2010, due, in part, to additional allocations to the provision for loan losses at ACCBank. Bad debt costs amounted to 73 (2010: 64) basis points of average lending, which is higher than the long-term average of 54 basis points (based on the period 2001 to 2010).

Taxation. Taxation decreased in 2011 by €58 million to €211 million compared to €269 million in 2010.

Net profit. Net profit increased by 1 per cent. to €781 million in 2011 compared to €774 million in 2010.

Year ended 31 December 2010 compared to year ended 31 December 2009

Total income. Total income at Rabobank International increased to €3,579 million in 2010 compared to €3,380 million in 2009, due chiefly to a rise in other results. The increase was also partly attributable to the depreciation of the euro over the period.

Interest. Interest income fell by 5 per cent. to €2,813 million in 2010, compared to €2,955 million in 2009. Global Financial Markets benefited from developments in the yield curve in 2009, which boosted interest income in 2009.

Commission. Commission fell by 6 per cent. to €460 million compared to €488 million in 2009.

Other results. The rise in other results by €369 million to €306 million in 2010, compared to a negative amount of €63 million in 2009, was attributable in part to a gain of €152 million on the sale of some of the equity interest in Indian-based Yes Bank and to higher trading income at Global Financial Markets.

Operating expenses. Rabobank International's total operating expenses increased by 9 per cent. to €1,939 million, compared to €1,783 million in 2009. The increase was partly attributable to the depreciation of the euro over the period.

Staff costs. Owing in part to an increase in headcount, staff costs increased 2 per cent. to €1,020 million, compared to €998 million in 2009. This increase related to the acquisition of three banks in California and the broadening of activities at Bank BGZ.

Other administrative expenses. Higher consulting and administrative expenses led to a 17 per cent. rise in other administrative expenses to €811 million in 2010, compared to €691 million in 2009.

Depreciation and amortisation. Due to higher amortisation changes on software, depreciation and amortisation charges rose by 15 per cent. to €108 million, compared to €94 million in 2009.

Value adjustments. The upturn in the economy and good credit risk management resulted in a drop in value adjustments at Rabobank International, which decreased 36 per cent. to €597 million, compared to €940 million in 2009. The improved economy resulted in a sharp drop in bad debt costs at the wholesale banking division in particular. Owing in part to the continued recession in Ireland, the decline in value adjustments was more limited at the international retail banking division. Bad debt costs amounted to 64 (2009: 105) basis points of average lending, which was higher than the long-term average of 52 basis points (based on the period 2000 to 2009).

Taxation. Taxation increased in 2010 by €178 million to €269 million, compared to €91 million in 2009.

Net profit. Net profit increased by 37 per cent. to €774 million in 2010 compared to €566 million in 2009.

Asset management

The following table sets forth certain summarised financial information for Rabobank Group's asset management business for the years indicated:

	Year ended 31 December		
	2011	2010	2009
	<i>(in millions of euro)</i>		
Interest	163	166	104
Commission	979	995	757
Other results.....	2	47	123
Total income	1,144	1,208	984
Staff costs	593	564	553
Other administrative expenses.....	311	287	288
Depreciation and amortisation.....	114	117	109
Operating expenses	1,018	968	950

	Year ended 31 December		
	2011	2010	2009
	(in millions of euro)		
Gross result	126	240	34
Value adjustments	(1)	2	4
Operating profit before taxation	127	238	30
Taxation	65	71	17
Net profit	62	167	13

Year ended 31 December 2011 compared to year ended 31 December 2010

Total income. Total income from asset management was 5 per cent. lower in 2011 than in 2010, at €1,144 million compared to €1,208 million in 2010 mainly due to lower commission income and lower other results.

Interest. Total interest income fell by 2 per cent. in 2011, at €163 million compared to €166 million in 2010 mainly due to higher interest expenses on customers.

Commission. Commission was down 2 per cent. to €979 million in 2011, compared to €995 million in 2010, due to market conditions and lower commissions at Transtrend, a Robeco subsidiary.

Other results. The sale of Sarasin contributed to the €45 million fall in other results to €2 million, compared to €47 million in 2010.

Operating expenses. Total operating expenses increased by 5 per cent. in 2011, rising to €1,018 million, compared to €968 million in 2010 mainly due to higher staff costs and higher other operating expenses.

Staff costs. Staff costs were 5 per cent. higher, rising to €593 million in 2011, compared to €564 million in 2010 in part due to an increase in the number of employees.

Other administrative expenses. Other administrative expenses grew by 8 per cent. to €311 million in 2011, compared to €287 million in 2010 in part due to restructuring provision and higher consultants fees.

Depreciation and amortisation. Due to lower amortisation charges of intangible assets, depreciation and amortisation charges decreased by 2 per cent. to €114 million in 2011 compared to €117 million in 2010.

Value adjustments. The total amount of value adjustments for asset management operations was minus €1 million in 2011 compared to €2 million in 2010.

Taxation. Taxation decreased in 2011 by €6 million to €65 million compared to €71 million in 2010.

Net profit. Net profit decreased by €105 million to €62 million in 2011.

Year ended 31 December 2010 compared to year ended 31 December 2009

Total income. On the back of higher commissions and higher interest income, total income from asset management was 23 per cent. higher in 2010, at €1,208 million compared to €984 million in 2009. For both Robeco's core business and its subsidiaries, management fees were higher than in 2009.

Interest. Total interest income was 60 per cent. higher in 2010, at €166 million compared to €104 million in 2009, due in particular to growth in Robeco's interest income.

Commission. Commission increased by 31 per cent. to €995 million in 2010, compared to €757 million in 2009. Asset management fees were higher than in 2009 for both Robeco's core business and its subsidiaries Transtrend and Harbor. The increase in asset management fees is a direct result of the average growth in managed assets and Transtrend's higher performance-related income.

Other results. Sarasin generated less income from trading activities in 2010 and contributed to the €76 million drop in other results to €47 million, compared to €123 million in 2009.

Operating expenses. Sarasin's operating expenses increased as a result of the appreciation of the Swiss franc. Total operating expenses at group level were 2 per cent. higher in 2010, rising to €968 million in 2010, compared to €950 million in 2009, due in part to cost control measures at Robeco.

Staff costs. Staff costs were 2 per cent. higher, rising to €564 million in 2010, compared to €553 million in 2009.

Other administrative expenses. Other administrative expenses were relatively constant at €287 million in 2010, compared to €288 million in 2009.

Depreciation and amortisation. Due to higher amortisation of intangible assets, depreciation and amortisation charges rose by 7 per cent. to €117 million in 2010 compared to €109 million in 2009.

Value adjustments. The total amount of value adjustments for asset management operations was €2 million in 2010 compared to €4 million in 2009.

Taxation. Taxation increased in 2010 by €54 million to €71 million compared to €17 million in 2009.

Net profit. Net profit increased by €154 million to €167 million in 2010.

Leasing

The following table sets forth certain summarised financial information for Rabobank Group's leasing business for the years indicated:

	Year ended 31 December		
	2011	2010	2009
	<i>(in millions of euro)</i>		
Interest	778	658	590
Commission	76	83	59
Other results	465	440	377
Total income	1,319	1,181	1,026
Staff costs	455	416	375
Other administrative expenses	269	244	206
Depreciation and amortisation	50	40	35
Operating expenses	774	700	616
Gross result	545	481	410

	Year ended 31 December		
	2011	2010	2009
	<i>(in millions of euro)</i>		
Value adjustments	144	214	300
Operating profit before taxation	401	267	110
Taxation	97	66	(2)
Net profit	304	201	112

Year ended 31 December 2011 compared to year ended 31 December 2010

Total income. De Lage Landen's total income increased by 12 per cent., rising to €1,319 million in 2011, compared to €1,181 million in 2010.

Interest. Interest income was up by 18 per cent. to €778 million, compared to €658 million in 2010, due to active portfolio management.

Commission. De Lage Landen paid higher commissions in 2011 to the local Rabobanks for new lease referrals. As a result, commission income fell by 9 per cent. to €76 million, compared to €83 million in 2010.

Other results. Increases in residual value gains on lease products caused an increase in other results by 6 per cent. to €465 million, compared to €440 million in 2010.

Operating expenses. Total operating expenses at De Lage Landen rose by 11 per cent. to €774 million in 2011, compared to €700 million in 2010.

Staff costs. Staff costs were up €39 million, reaching €455 million, compared to €416 million in 2010, because of periodic salary increases and a larger workforce on average. The headcount increased by 3 per cent. to 4,964 in 2011 compared to 4,835 in 2010.

Other administrative expenses. Other administrative expenses were up 10 per cent. to €269 million, compared to €244 million in 2010.

Depreciation and amortisation. The depreciation and amortisation item increased by 25 per cent. to €50 million, compared to €40 million in 2010, due, in part, to the accelerated amortisation of self-developed software.

Value adjustments. The credit quality of the portfolio improved owing partly to strict risk management. This helped to reduce De Lage Landen's value adjustments, which fell by 33 per cent. to €144 million, compared to €214 million in 2010. Expressed in basis points of average lending, bad debt costs stood at 58 (2010: 90) basis points. Bad debt costs are now 11 basis points below the long-term average of 69 basis points (based on the period 2001 to 2010).

Taxation. Taxation increased in 2011 by €31 million to €97 million compared to €66 million in 2010.

Net profit. Net profit increased 51 per cent. to €304 million in 2011 compared to €201 million in 2010.

Year ended 31 December 2010 compared to year ended 31 December 2009

Total income. De Lage Landen's total income increased by 15 per cent., rising to €1,181 million in 2010, compared to €1,026 million in 2009. Approximately one third of the increase was due to depreciation of the euro over the period.

Interest. Active portfolio management led to a higher interest margin on new contracts. This, combined with growth in the portfolio, raised De Lage Landen's interest income by 12 per cent. to €658 million, compared to €590 million in 2009.

Commission. Contract renewals caused commission to rise by 41 per cent. to €83 million in 2010, compared to €59 million in 2009.

Other results. Other results increased by 17 per cent. to €440 million in 2010, compared to €377 million in 2009. The increase in other results was attributable to higher residual value gains on the second-hand car market.

Operating expenses. Rabo Real Estate Group's total operating expenses at De Lage Landen rose by 14 per cent. to €700 million in 2010, compared to €616 million in 2009. Currency effects accounted for about one third of this rise. After adjustment, a moderate increase in operating expenses remained.

Staff costs. In addition to the depreciation of the euro over the period, the 2 per cent. increase in headcount to 4,835 in 2010 compared to 4,734 in 2009 contributed to the rise in staff costs by 11 per cent. to €416 million in 2010, compared to €375 million in 2009.

Other administrative expenses. Other administrative expenses were up 18 per cent. to €244 million, compared to €206 million in 2009.

Depreciation and amortisation. The depreciation and amortisation item increased by 14 per cent. to €40 million in 2010, compared to €35 million in 2009, due to higher amortisation charges of software.

Value adjustments. Value adjustments were down €86 million to €214 million at De Lage Landen in 2010 due to a tight risk management policy and supported by the tentative economic recovery. Expressed in basis points of average lending, bad debt costs stood at 90 basis points (2009: 132 basis points), which is above the long-term average of 63 basis points (based on the period 2000 to 2009).

Taxation. Taxation increased in 2010 by €68 million to €66 million compared to a negative amount of €2 million in 2009.

Net profit. Net profit increased 79 per cent. to €201 million in 2010 compared to €112 million in 2009.

Real estate

The following table sets forth certain summarised financial information for Rabobank Group's real estate business for the years indicated:

	Year ended 31 December		
	2011	2010	2009
	(in millions of euro)		
Interest	282	253	182
Commission	41	26	44
Other results	207	214	283

	Year ended 31 December		
	2011	2010	2009
	(in millions of euro)		
Total income	530	493	509
Staff costs	200	193	196
Other administrative expenses	124	145	164
Depreciation and amortisation	20	29	37
Operating expenses	344	367	397
Gross result	186	126	112
Value adjustments	129	63	22
Operating profit before taxation	57	63	90
Taxation	17	21	22
Net profit	40	42	68

Year ended 31 December 2011 compared to year ended 31 December 2010

Total income. During 2011, total income in Rabobank Group's real estate business increased by 8 per cent. to €530 million in 2011 compared to €493 million in 2010 due to higher interest and commission income.

Interest. Interest income increased by €29 million to €282 million in 2011 compared to €253 million in 2010, due to an increase in lending and higher margins on new loans and renewals.

Commission. Commission increased by 58 per cent. to €41 million, compared to €26 million in 2010, due to new loans and renewals, particularly in the first half of 2011, and higher commissions at Bouwfonds REIM.

Other results. The increase in revenue from property development, especially in countries other than the Netherlands, was largely offset by impairment losses on available land positions in the Netherlands. Other results fell by 3 per cent. to €207 million in 2011, compared to €214 million in 2010.

Operating expenses. Rabo Real Estate Group's total operating expenses in Rabobank Group's real estate business declined by 6 per cent. in 2011, falling to €344 million, compared to €367 million in 2010.

Staff costs. Owing, in part, to an increase in headcount, staff costs increased by 4 per cent. to €200 million, compared to €193 million in 2010.

Other administrative expenses. The drop in other administrative expenses was the main factor in lower operating expenses. Other administrative expenses were down 14 per cent. to €124 million in 2011, compared to €145 million in 2010.

Depreciation and amortisation. Depreciation and amortisation decreased by €9 million to €20 million in 2011 compared to €29 million in 2010.

Value adjustments. Value adjustments stood at €129 million in 2011, compared to €63 million in 2010, which corresponds to 69 (2010: 36) basis points of average lending. The further decline in the Dutch property market led to an increase in value adjustments at Rabo Real Estate Group.

Taxation. Taxation decreased by €4 million to €17 million in 2011 compared to €21 million in 2010.

Net profit. Net profit decreased by €2 million to €40 million in 2011 compared to €42 million in 2010.

Year ended 31 December 2010 compared to year ended 31 December 2009

Total income. During 2010, total income in Rabobank Group's real estate business decreased by 3 per cent. to €493 million in 2010 compared to €509 million in 2009.

Interest. Interest income increased by €71 million to €253 million in 2010 compared to €182 million in 2009, due to higher margins on new loans and contract renewals, favourable developments in interest rates and volume growth.

Commission. Commission fell by 41 per cent. to €26 million in 2010, compared to €44 million in 2009. Commissions were high in 2009 because of a one-off payment to FGH Bank as a result of the repurchase of debt securities.

Other results. Owing in particular to the fact that Bouwfonds Property Development completed lower priced homes on average, other results dropped to €214 million in 2010, compared to €283 million in 2009.

Operating expenses. Total operating expenses in Rabobank Group's real estate business declined by 8 per cent. in 2010, falling to €367 million, compared to €397 million in 2009. The drop in other administrative expenses was the main factor in the lower operating expenses.

Staff costs. Staff costs fell by 2 per cent. to €193 million in 2010, compared to €196 million in 2009.

Other administrative expenses. The drop in other administrative expenses was the main factor in lower operating expenses. Other administrative expenses were down 12 per cent. to €145 million in 2010, compared to €164 million in 2009, due to the cost-cutting programme initiated in 2010.

Depreciation and amortisation. Depreciation and amortisation decreased by €8 million to €29 million in 2010 compared to €37 million in 2009.

Value adjustments. Value adjustments stood at €63 million in 2010, compared to €22 million in 2009, which corresponds to 36 (2009: 14) basis points of average lending. Despite the tentative recovery that started in mid-2009, the Dutch property market continued to suffer the consequences of the credit crunch. Bad debt costs were up at Rabo Real Estate Group because of the late-cycle character of the business.

Taxation. Taxation decreased by €1 million to €21 million in 2010 compared to €22 million in 2009.

Net profit. Net profit decreased by €26 million to €42 million in 2010 compared to €68 million in 2009.

Loan portfolio

Economic recovery slowed and then ceased in mid-2011 owing to uncertainty surrounding the ability of a number of European governments to meet their debt obligations. This again suppressed consumer confidence, which had not been very strong to begin with, and affected the manufacturing industry as well. Compounded by the levelling off of world trade and lagging government spending, Dutch economic growth slowed down in the second half of 2011. Most other countries where Rabobank operates also suffered from slower growth and a poorer outlook. In these difficult circumstances, the loans to customers item increased no more than 3 per cent., or €12.1 billion, to €468.1 billion at 31 December 2011 from €455.9 billion at 31 December 2010. The private sector loan portfolio increased by €12 billion to €448.3 billion at 31 December 2011, an increase of 3 per cent. from €436.3 billion at 31 December 2010. Loans to private individuals, primarily for mortgage finance, was up €4.3 billion, or 2 per cent., to €212.3 billion at 31 December 2011. Residential mortgage loans are granted by local Rabobanks and by Obvion. These loans are secured on underlying properties and have

maturities up to 30 years. Loans to the trade, industry and services sector increased by €0.2 billion to €147.9 billion at 31 December 2011. Lending to the food and agri sector increased by €7.6 billion to €88.2 billion at 31 December 2011, a 9 per cent. increase.

The following table shows a breakdown of Rabobank Group's total lending outstanding to the private sector at 31 December 2011 and 31 December 2010, by category of borrower:

	At 31 December			
	2011		2010	
	(in millions of euro and as percentage of total private sector lending)			
Private individuals	212,269	47%	208,005	48%
Trade, industry and services sector	147,877	33%	147,669	34%
Food and agri sector.....	88,191	20%	80,618	18%
Total private sector lending	448,337	100%	436,292	100%

The maturities of loans granted by Rabobank Group vary from overdraft facilities to 30-year term loans.

The following table provides a breakdown of the remaining maturity of Rabobank Group's total loans to customers (public and private sector) and professional securities transactions at 31 December 2011 and 31 December 2010:

	At 31 December			
	2011		2010	
	(in millions of euro and as percentage of total loans to customers)			
Less than 1 year	111,464	24%	108,260	24%
More than 1 year	356,621	76%	347,681	76%
Total loans to customers	468,085	100%	455,941	100%

Funding

At 31 December 2011, amounts due to customers of Rabobank Group were €329.9 billion, an increase of 10 per cent. compared to 31 December 2010. The balance held in savings deposits increased by €9.1 billion to €140.0 billion, an increase of 7 per cent. Other amounts due to customers (including current accounts, repurchase agreements and time deposits) increased by €22.0 billion to €189.9 billion at 31 December 2011, largely due to an increase in term deposits. Term deposits increased by €12.1 billion to €58.9 billion. At 31 December 2011, debt securities in issue (including certificates of deposit, commercial paper and bonds) totalled €213.4 billion compared to €196.8 billion at 31 December 2010. Savings deposits (except fixed-time deposits, from 1 month to 20 years) generally bear interest at rates that Rabobank Nederland can unilaterally change.

The following table shows Rabobank Group's sources of funding by source at 31 December 2011, 31 December 2010 and 31 December 2009:

	Year ended 31 December		
	2011	2010	2009
	(in millions of euro)		
Savings deposits	140,028	130,928	121,373
Other due to customers	189,864	167,833	164,965
Debt securities in issue	213,441	196,819	171,752
Other financial liabilities at fair value through profit or loss	25,889	29,867	27,319
Total	569,222	525,447	485,409

Rabobank Group also receives funds from the interbank and institutional market. Rabobank Group's total due to other banks were €26.3 billion at 31 December 2011, a 12 per cent. increase from €23.5 billion at 31 December 2010.

Other financial assets*

Other financial assets comprise debt securities and other assets. Other financial assets are subdivided into the following categories:

- Trading financial assets;
- Other financial assets at fair value through profit or loss;
- Available-for-sale financial assets; and
- Held-to-maturity assets.

	Other financial assets at 31 December 2011				
	Trading	Other at fair value through profit or loss	Available-for-sale	Held-to-maturity	Total
	(in millions of euro)				
Purchased loans.....	2,091	—	—	—	2,091
Short-term government securities	313	—	1,993	—	2,306
Government bonds	2,150	412	40,604	96	43,262
Other debt securities	1,788	5,622	8,576	13	15,999
Total debt securities	6,342	6,034	51,173	109	63,658
Venture capital.....		571	—	—	571
Equity instruments	1,770	410	757	—	2,937
Total other assets	1,770	981	757	—	3,508
Total	8,112	7,015	51,930	109	67,166
Category 1 ¹	4,256	1,013	45,506	—	50,775

Other financial assets at 31 December 2011

	Trading	Other at fair value through profit or loss	Available- for-sale	Held-to- maturity	Total
	<i>(in millions of euro)</i>				
Category 2 ¹	3,452	4,506	6,197	—	14,155
Category 3 ¹	404	1,496	227	—	2,127

Note:

- (1) Category 1: quoted prices in active markets for identical assets or liabilities; category 2: inputs other than quoted prices included in category 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); category 3: inputs for the asset or liability not based on observable market data.

Other financial assets at 31 December 2010

	Trading	Other at fair value through profit or loss	Available- for-sale	Held-to- maturity	Total
	<i>(in millions of euro)</i>				
Purchased loans.....	2,600	—	—	—	2,600
Short-term government securities	1,292	—	1,744	—	3,036
Government bonds	2,351	1,018	42,963	208	46,540
Other debt securities.....	3,982	7,535	9,652	10	21,179
Total debt securities	10,225	8,553	54,359	218	73,355
Venture capital	—	608	—	—	608
Equity instruments	2,762	427	1,099	—	4,288
Total other assets	2,762	1,035	1,099	—	4,896
Total	12,987	9,588	55,458	218	78,251
Category 1 ¹	6,842	2,577	49,547	—	58,966
Category 2 ¹	5,618	4,951	5,689	—	16,258
Category 3 ¹	527	2,060	222	—	2,809

Credit related commitments*

Credit granting liabilities represent the unused portions of funds authorised for the granting of credit in the form of loans, guarantees, letters of credit and other lending related financial instruments. Rabobank's credit risk exposure from credit granting liabilities consists of potential losses amounting to the unused portion of the authorised funds. The total expected loss is lower than the total of unused funds, however, because credit granting liabilities are subject to the clients in question continuing to meet specific standards of creditworthiness. Guarantees represent irrevocable undertakings that, provided certain conditions are met, Rabobank will make payments on behalf of clients if they are unable to meet their financial obligations to

third parties. Rabobank also accepts credit granting liabilities in the form of credit facilities made available to ensure that clients' liquidity requirements can be met, but which have not yet been drawn upon.

	At 31 December		
	2011	2010	2009
	<i>(in millions of euro)</i>		
Guarantees	10,519	10,084	10,117
Letters of credit.....	5,487	4,910	3,887
Credit granting liabilities	34,522	34,670	30,420
Other contingent liabilities	0	66	240
Total credit related and contingent liabilities.....	50,528	49,730	44,664
Revocable credit facilities.....	44,649	41,229	39,890
Total credit related commitments.....	95,177	84,554	84,554

Capital adequacy

The Dutch Central Bank (*De Nederlandsche Bank*), in conjunction with other bank supervisors, regards the risk asset ratio developed by the Basel Committee as a key supervisory tool and sets individual ratio requirements for banks in the Netherlands. This ratio was designed to meet the dual objectives of strengthening the soundness and stability of the international banking system and of creating a fair and consistent supervisory framework for international banks by means of an international convergence of capital measurement and capital standards. The technique involves the application of risk weightings to assets (which for this purpose includes both balance sheet assets and off-balance sheet items) to reflect the credit and other risks associated with broad categories of transactions and counterparties.

On 1 January 2008, Rabobank Group adopted the Advanced Internal Rating Based (“**AIRB**”) Approach to the majority of its significant portfolios that contain credit risk in accordance with the approvals granted by the Dutch Central Bank, and various local regulators, as required. However, there remains a small portion of the portfolio that is subject to the Standardised Approach (“**SA**”). Individually, these portfolios are relatively small or are related to new acquisitions in companies that themselves did not yet follow the AIRB Approach.

The Tier 1 ratio and the BIS ratio are the most common ratios used in the financial world to measure solvency.

The Tier 1 ratio expresses the relationship between Tier 1 capital and total risk-weighted assets. At 31 December 2011, Rabobank Group's Tier 1 ratio stood at 17.0 per cent. (year-end 2010; 15.7 per cent.). The minimum requirement set by the external supervisors is 4 per cent. The high Tier 1 ratio is one of the reasons for Rabobank Group's high credit rating.

Risk-weighted assets were up €4.0 billion to €223.6 billion at 31 December 2011 compared to €219.6 billion 31 December 2010. Retained earnings were a contributing factor in the €3.5 billion increase in Tier 1 capital to €38.0 billion at 31 December 2011 compared to 31 December 2010. See “Regulation of Rabobank Group” for further discussion of the Basel standards.

The BIS ratio is calculated by dividing the total of Tier 1 and Tier 2 capital by the total of risk-weighted assets. At 31 December 2011, the BIS ratio stood at 17.5 per cent. (year-end 2010: 16.3 per cent.). This exceeds the minimum requirement set by the external supervisors of 8.0 per cent.

The following table sets forth the risk-weighted capital ratios of Rabobank Group at 31 December 2011, 31 December 2010 and 31 December 2009:

Development in capital and solvency ratios

	At 31 December		
	2011	2010	2009
	<i>(in millions of euro, except percentages)</i>		
Tier 1 capital	37,964	34,461	32,152
Tier 1 ratio	17.0%	15.7%	13.8%
Qualifying capital	39,088	35,734	32,973
BIS ratio	17.5%	16.3%	14.1%

Selected statistical information*

The following section discusses selected statistical information regarding Rabobank Group's operations. Unless otherwise indicated, average balances are calculated based on monthly balances and geographic data are based on the domicile of the customer. See "Results of operations" for an analysis of fluctuations in Rabobank Group's results between periods.

Return on equity and assets

The following table presents information relating to Rabobank Group's return on equity and assets for each of the past five years:

	2011	2010	2009	2008	2007
	<i>(in percentages)</i>				
Return on assets ⁽¹⁾	0.38	0.42	0.37	0.47	0.45
Return on equity ⁽²⁾	6.17	5.60	6.36	8.67	8.81
Equity to assets ratio ⁽³⁾	6.19	6.05	5.82	5.47	5.20

Notes:

- (1) Net profit as a percentage of total average assets, based on month-end balances.
- (2) Net profit as a percentage of average equity, based on quarter-end balances.
- (3) Average equity divided by average total assets, based on quarter-end balances.

The following table presents information relating to payments on Rabobank Member Certificates for each of the past five years:

	2011	2010	2009	2008	2007
	<i>(in millions of euro, except percentages)</i>				
Outstanding Rabobank Member Certificates ¹	6,551	6,368	6,275	6,180	5,948

	2011	2010	2009	2008	2007
	<i>(in millions of euro, except percentages)</i>				
Payments	315	303	318	316	299
Average yield	4.81%	4.76%	5.07%	5.11%	5.03%

Note:

(1) Average Outstanding Rabobank Member Certificates based on month-end balances.

Loan portfolio

Rabobank Group's loan portfolio consists of loans, overdrafts, assets subject to operating leases, finance lease receivables to governments, corporations and consumers and reverse repurchase agreements. The following table analyses Rabobank Group's loan portfolio by sector at 31 December 2011, 31 December 2010 and 31 December 2009:

	At 31 December			
	2010			
	2011	(restated)	2010	2009
	<i>(in millions of euro)</i>			
Private sector lending	448,337	436,292	436,292	415,235
Government clients	3,557	5,602	5,602	3,936
Securities transactions due from private sector lending	7,026	7,840	7,840	8,368
Interest rate hedges (hedge accounting)	9,165	6,207	6,207	5,818
Total loans to customers	468,085	455,941	455,941	433,357
Value adjustments in loans to customers	(3,089)	(2,610)	(3,845)	(4,399)
Reclassified assets	5,588	6,954	6,954	8,135
Gross loans to customers	465,586	451,597	452,832	429,621

The table below sets forth a geographic breakdown of Rabobank Group's loan portfolio at 31 December 2011, 31 December 2010 and 31 December 2009:

	At 31 December		
	2011	2010	2009
	<i>(in millions of euro)</i>		
The Netherlands	1,764	1,847	1,698
Other countries in the EU zone	771	484	482
North America	484	510	469
Latin America	7	11	44

	At 31 December		
	2011	2010	2009
	(in millions of euro)		
Asia.....	465	2,603	1,073
Australia.....	12	10	7
Other countries	54	137	163
Total government clients	3,557	5,602	3,936
The Netherlands.....	332,489	320,446	311,964
Other countries in the EU zone.....	38,540	38,283	37,259
North America	40,876	41,245	36,194
Latin America	10,950	9,739	8,837
Asia.....	5,672	7,925	6,112
Australia.....	19,666	18,555	14,837
Other countries	144	99	32
Total private sector lending.....	448,337	436,292	415,235

Risk elements*

Breakdown of assets and liabilities by repayment date*

The table below shows Rabobank's assets and liabilities grouped by the period remaining between the reporting date and the contract repayment date. These amounts correspond with the statement of financial position.

	At 31 December 2011				
	On demand	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years
	(in millions of euro)				
Cash and cash equivalents.....	64.811	5.617	2	0	0
Due from other banks.....	9.913	10.369	1.833	2.257	849
Trading financial assets.....	1.757	776	819	2.693	2.067
Other financial assets at fair value through profit or loss	0	28	1.013	1.763	4.211
Derivative financial instruments	325	4.671	7.621	16.863	29.493
Loans to customers.....	27.068	53.697	30.699	83.716	272.905
Available-for-sale financial assets.....	2	2.832	2.153	10.308	36.635
Held-to-maturity financial assets.....	0	44	13	52	0
Deferred assets	—	—	101	—	894
Other assets (excluding employee benefits)	1.089	4.753	1.446	2.150	862
Total financial assets	104.965	82.787	45.700	119.802	347.916
Due to other banks	943	19.080	1.822	3.561	853

At 31 December 2011

	On demand	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
<i>Payments due by period (in millions of euro)</i>						
Due to customers.....	219.510	70.753	12.064	13.569	13.996	329.892
Debt securities in issue.....	0	52.065	50.200	73.976	37.200	213.441
Derivative financial instruments and other trade liabilities.....	10.246	4.463	4.690	18.689	26.843	64.931
Other debts (incl. current tax liabilities).....	1.335	5.484	552	702	13	8.086
Other financial liabilities at fair value through profit or loss.....	1.265	1.217	3.392	10.368	9.647	25.889
Deferred tax liabilities.....	—	—	47	—	846	893
Subordinated debt	—	40	—	448	1,925	2,413
Total financial liabilities	233.299	153.102	72.767	121.313	91.323	671.804
Net liquidity surplus/(deficit)	-128.334	-70.315	-27.067	-1.511	256.593	29.366

The above breakdown was compiled on the basis of contract information, without taking into account actual movements in items in the statement of financial position. This is taken into account, however, for the day-to-day management of liquidity risk. Customer savings are an example. By contract, they are payable on demand. However, experience has shown that this is a stable source of financing at the long-term disposal of the bank. The regulations of the supervisory authority are also factored in. Based on the liquidity criteria of the Dutch Central Bank, Rabobank had a substantial liquidity surplus at 31 December 2011 and throughout 2011. The average liquidity surplus was 40 per cent. of the total liquidity requirement. The surplus at 31 December 2011 was 27 per cent.

The liquidity requirements to meet payments under guarantees and stand-by letters of credit are considerably lower than the size of the liabilities, as Rabobank does not generally expect that third parties to such arrangements will draw funds. The total open position relating to contractual obligations to provide credit does not necessarily represent Rabobank's future cash resource needs, as many of these obligations will lapse or terminate without financing being required.

Interest rate sensitivity

The key indicators used for managing the interest rate risk are the Basis Point Value, the Equity at Risk and the Income at Risk.

The Basis Point Value ("BPV") is the absolute loss of market value of equity after a parallel increase of the yield curve with 1 basis point. In 2011, the BPV did not exceed €25 million.

Long-term interest rate risk is measured and managed using the Equity at Risk concept. Equity at Risk is the sensitivity of Rabobank Group equity's market value to interest rate fluctuations. A 200 basis point overnight upward parallel shock of the curve will result in a 5 per cent. drop in market value of equity.

Short-term interest rate risk is monitored using the Income at Risk concept. This is the amount of interest income that is put at risk on an annual basis, based on certain interest rate scenarios. If interest rates were to gradually decrease with a maximum of 200 basis points over a one-year period, the interest income would decrease by €191 million.

Cross-border outstandings*

Cross-border outstandings are defined as loans (including accrued interest), acceptances, interest-earning deposits with other banks, other interest-earning investments and any other monetary assets which are denominated in a currency other than the functional currency of the office or subsidiary where the extension of credit is booked. To the extent that the material local currency outstandings are not hedged or are not funded by local currency borrowings, such amounts are included in cross-border outstandings.

At 31 December 2011, there were no cross-border outstandings exceeding 1 per cent. of total assets in any country where current conditions give rise to liquidity problems which are expected to have a material impact on the timely repayment of interest or principal.

The following table analyses cross-border outstandings at the end of each of the last three years, stating the name of the country and the aggregate amount of cross-border outstandings in each foreign country where such outstandings exceeded 1 per cent. of total assets, by type of borrower:

	Banks	Public authorities	Private sector	Total
		<i>(in millions of euro)</i>		
At 31 December 2011				
France	1,629	6.305	3.686	11.620
Germany	2,809	7.335	6.237	16.381
United Kingdom	8,312	3.020	10.062	21.394
Poland	149	2.440	6.562	9.151
United States	4,446	10.556	52.424	67.426
Brazil	1,217	921	6.423	8.561
Australia.....	433	423	14.614	15.470
At 31 December 2010				
France	4,398	12,151	3,368	19,917
Germany	4,054	9,441	5,955	19,450
Ireland.....	228	177	6,880	7,285
United Kingdom	7,650	440	10,377	18,467
Poland	70	2,970	5,982	9,022
United States	6,685	6,876	55,551	69,112
Brazil	955	1,040	5,267	7,262
Japan	2,918	5,207	210	8,335
Australia.....	824	888	14,363	16,075
At 31 December 2009				
France	2,702	1,889	4,735	9,326
Germany	3,923	2,821	5,037	11,781
Ireland.....	499	346	7,958	8,803
United Kingdom	11,732	1,858	11,212	24,802
Poland	142	1,915	5,375	7,432
United States	7,437	6,444	48,494	62,375
Australia.....	1,050	412	11,943	13,405

Diversification of loan portfolio*

One of the principal factors influencing the quality of the earnings and the loan portfolio is diversification of loans, e.g. by industry or by region. Rabobank Group uses the, North America Industry Classification System (“NAICS”) as the leading system to classify industries. NAICS distinguishes a large number of sectors, subsectors and industries.

The following table is based on data according to NAICS and represents the loan portfolio of Rabobank Group loans by main sector at 31 December 2011:

	At 31 December 2011		
	On balance	Off balance	Total
	<i>(in millions of euro)</i>		
Grain and oilseeds			
.....	16,609	649	17,258
Animal protein.....	15,778	328	16,106
Dairy	15,580	154	15,734
Fruit and vegetables.....	9,689	148	9,837
Farm inputs.....	5,509	148	5,657
Food retail.....	5,296	205	5,501
Beverages.....	3,905	47	3,952
Flowers	3,406	9	3,415
Sugar.....	2,075	104	2,179
Miscellaneous crop farming	1,982	2	1,984
Other	8,362	119	8,481
Total private sector lending to food and agri	88,191	1,913	90,104
Lessors of real estate.....	31,026	81	31,107
Finance and insurance (except banks)	21,048	1,559	22,607
Wholesale	17,573	3,544	21,117
Activities related to real estate.....	8,334	1,147	9,481
Manufacturing	8,055	2,239	10,294
Transportation and warehousing.....	7,052	264	7,316
Construction.....	7,030	824	7,854
Healthcare and social assistance.....	5,750	35	5,785
Professional, scientific and technical services.....	5,019	201	5,220
Retail (except food and beverages).....	4,325	662	4,987
Utilities	2,215	474	2,689
Information and communication.....	1,681	82	1,763
Arts entertainment and leisure	1,306	22	1,328

At 31 December 2011

	On balance	Off balance	Total
	<i>(in millions of euro)</i>		
Other	27,463	2,682	30,145
Total private sector lending to trade, manufacturing and services	147,877	13,816	161,693
Private individuals	212,324	265	212,589
Total private sector lending	448,392	15,994	464,386

Apart from due from other banks (€25.2 billion at 31 December 2011 which is 3 per cent. of total assets), Rabobank's only significant risk concentration is in the portfolio of loans to private individuals which accounted for 47 per cent. of the total loan portfolio at 31 December 2011. This portfolio has a relatively low risk profile as evidenced by the actual losses incurred in previous years. The proportion of the total loan portfolio attributable to the food and agri sector was 20 per cent. in 2011. The proportion of the total loan portfolio attributable to trade, industry and services was 33 per cent. at 31 December 2011. Loans to trade, industry and services and loans to the food and agri sector are both spread over a wide range of industries in many different countries. None of these shares represents more than 10 per cent. of the total loan portfolio.

Impaired loans

Loans for which an allowance has been made are called impaired loans. At 31 December 2011, these loans amounted to €9,958 million (2010: €8,049 million). The allowance for loan losses amounted to €3,222 million (2010: €2,779 million), which corresponds to a 32 per cent. (2010: 43 per cent.) coverage. Over and above this allowance, additional coverage is raised through collateral and other securities. Rabobank Group forms allowances at an early stage and applies the one-obligor principle, which means that the exposure to all counterparties belonging to the same group is taken into account. In addition, the full exposure to a client is qualified as impaired, even if adequate coverage is available for part of the exposure in the form of security or collateral. At 31 December 2011, impaired loans corresponded to 2.2 per cent. (2010: 1.8 per cent.) of the private sector loan portfolio.

The following table provides an analysis of Rabobank Group's impaired loans by business at 31 December 2011, 31 December 2010 and 31 December 2009:

	At 31 December			
	2010			
	2011	(restated)	2010	2009
	<i>(in millions of euro)</i>			
Domestic retail banking	4,559	3,577	4,462	4,305
Wholesale banking and international retail banking	3,493	2,649	2,999	3,559
Leasing	832	960	960	1,066
Real estate	1,066	793	793	295
Other	8	70	70	69

	At 31 December			
	2010			
	2011	(restated)	2010	2009
	<i>(in millions of euro)</i>			
Rabobank Group	9,958	8,049	9,284	9,294

Summary of loan loss experience

The following table shows the movements in the allocation of the allowance for loan losses on loans accounted for as loans to customers for the past three years:

	2010			
	2011	(restated)	2010	2009
	<i>(in millions of euro)</i>			
Domestic retail banking.....	1,376	1,325	2,030	1,398
Wholesale banking and international retail banking	670	585	1,915	1,415
Asset management.....	12	9	9	5
Leasing	444	387	387	246
Real estate	94	45	45	25
Other.....	14	13	13	41
Total balance at 1 January	<u>2,610</u>	<u>2,364</u>	4,399	<u>3,130</u>
Domestic retail banking.....	1,119	1,124	1,124	1,541
Wholesale banking and international retail banking	1,333	1,296	1,296	1,500
Asset management.....	1	7	7	7
Leasing	313	287	287	331
Real estate	147	67	67	36
Other.....	—	—	—	14
Total additions	2,913	2,781	2,781	3,429
Domestic retail banking.....	(465)	(759)	(759)	(805)
Wholesale banking and international retail banking	<u>(578)</u>	<u>(665)</u>	(665)	<u>(556)</u>
Asset management.....	(1)	(1)	(1)	—
Leasing	<u>(127)</u>	<u>(29)</u>	<u>(29)</u>	<u>(23)</u>
Real estate	(18)	(4)	(4)	(14)
Other.....	—	—	—	(42)
Total reversal of impairments	(1,189)	(1,458)	(1,458)	(1,440)
Domestic retail banking.....	(590)	(415)	(235)	(191)
Wholesale banking and international retail banking	(542)	(581)	(1,560)	(382)

	2010			
	2011	(restated)	2010	2009
	<i>(in millions of euro)</i>			
Asset management.....	(2)	(6)	(6)	(3)
Leasing	(199)	(219)	(219)	(182)
Real estate	(19)	(14)	(14)	(6)
Other	(14)	—	—	—
Total written off	(1,366)	(1,235)	(2,034)	(764)
Domestic retail banking.....	103	101	101	87
Wholesale banking and international retail banking	6	35	34	(62)
Asset management.....	(9)	3	3	—
Leasing	20	18	18	15
Real estate	1	4	—	4
Other	—	1	1	—
Total other.....	121	158	157	44
Domestic retail banking.....	1,543	1,376	2,261	2,030
Wholesale banking and international retail banking	889	670	1,020	1,915
Asset management.....	1	12	12	9
Leasing	451	444	444	387
Real estate	205	94	94	45
Other	—	14	14	13
Total other balance at 31 December	3,089	2,610	3,845	4,399

Due to customers*

The following table presents a breakdown of due to customers at 31 December 2011, 31 December 2010 and 31 December 2009. Interest rates paid on time deposits and savings deposits reflect market conditions and not all current accounts/settlement accounts earn interest.

	At 31 December		
	2011	2010	2009
	<i>(in millions of euro)</i>		
Time deposits.....	58,931	46,846	47,897
Current accounts/settlement accounts.....	73,443	71,147	63,388
Repurchase agreements	2,669	2,017	1,207
Other	34,147	25,966	32,666
Total due to customers by businesses.....	169,190	145,976	145,158
Savings deposits	140,028	130,928	121,373

	At 31 December		
	2011	2010	2009
Current accounts/settlement accounts.....	12,988	15,812	12,768
Other	7,686	6,045	7,039
Total due to customers by individuals.....	160,702	152,785	141,180
Total due to customers.....	329,892	298,761	286,338

Short-term borrowings*

Short-term borrowings are borrowings with an original maturity of one year or less. These are included in Rabobank Group's consolidated statement of financial position under "Debt securities in issue". An analysis of the balance of short-term borrowings at 31 December 2011, 31 December 2010 and 31 December 2009 is provided below.

	2011	2010	2009
	<i>(in millions of euro)</i>		
Year-end balance.....	70,307	72,795	78,370
Average balance.....	74,246	80,424	77,160
Maximum month-end balance	79,737	88,623	82,167

Long-term borrowings

Long-term borrowings are borrowings with an original maturity of more than one year. These are included in Rabobank Group's consolidated statement of financial position under "Debt securities in issue" and "Other financial liabilities at fair value through profit or loss". An analysis of the balance of long-term borrowings at 31 December 2011, 31 December 2010 and 31 December 2009 is provided below.

	2011	2010	2009
	<i>(in millions of euro)</i>		
Year-end balance.....	169,024	153,891	120,701
Average balance.....	164,471	141,209	116,309
Maximum month-end balance	169,024	153,891	122,776

SELECTED FINANCIAL INFORMATION

The following selected financial data are derived from the audited consolidated financial statements of Rabobank Group, which have been audited by Ernst & Young Accountants LLP, the independent auditor in the Netherlands, with the exception of the bad debt costs, the latter being derived from the annual report of Rabobank Group. The data should be read in conjunction with the consolidated financial statements, related notes incorporated by reference herein and the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in this Base Prospectus. The Rabobank audited consolidated financial statements for the year ended 31 December 2011 and 31 December 2010 have been prepared in accordance with IFRS as adopted by the European Union.

Consolidated statement of financial position

	At 31 December	
	2011	2010
	<i>(in millions of euro)</i>	
Assets		
Cash and cash equivalents	70,430	13,471
Due from other banks	25,221	33,511
Trading financial assets	8,112	12,987
Other financial assets at fair value through profit or loss	7,015	9,588
Derivative financial instruments	58,973	43,947
Loans to customers	468,085	455,941
Available-for-sale financial assets	51,930	55,458
Held-to-maturity financial assets	109	218
Investments in associates	3,340	3,539
Intangible assets	2,802	3,675
Property and equipment	6,132	6,006
Investment properties	784	816
Current tax assets	571	357
Deferred tax assets	995	1,200
Employee benefits	—	—
Other assets	12,210	11,822
Non-current assets held for sale	14,956	—
Total assets	731,665	652,536

	At 31 December	
	2011	2010
	<i>(in millions of euro)</i>	
Liabilities		
Due to other banks	26,259	23,476
Due to customers	329,892	298,761
Debt securities in issue	213,441	196,819
Derivative financial instruments and other trade liabilities	64,931	49,640
Other debts	8,422	8,665
Other financial liabilities at fair value through profit or loss	25,889	29,867
Provisions	765	979
Current tax liabilities	324	359
Deferred tax liabilities	893	731
Employee benefits	—	—
Subordinated debt	2,413	2,482
Liabilities held for sale	13,435	
Total liabilities	686,664	611,779

	At 31 December	
	2011	2010
	<i>(in millions of euro)</i>	
Equity		
<i>Equity of Rabobank Nederland and local Rabobanks</i>		
<i>Equity instruments issued directly</i>	26,500	24,749
Rabobank Member Certificates	6,614	—
Capital Securities	7,645	4,790
Non-controlling interests	—	—
<i>Equity instruments issued by subsidiaries</i>	40,759	29,539
Rabobank Member Certificates	—	6,583
Capital Securities	167	163
Trust Preferred Securities III to VI	1,399	1,353
	1,566	8,099
Non-controlling interests	2,676	3,119
Total equity	45,001	40,757
Total equity and liabilities	731,665	652,536

Consolidated statement of income

Year ended 31 December

	2011	2010
	<i>(in millions of euro)</i>	
Interest income	22,211	19,928
Interest expense	12,982	11,314
Interest	<u>9,229</u>	<u>8,614</u>
Commission income	3,646	3,469
Commission expense	665	638
Commission	<u>2,981</u>	<u>2,831</u>
Income from associates	(17)	292
Net income from financial assets and liabilities at fair value through profit or loss	640	231
Gains on available-for-sale financial assets	(169)	105
Other income	714	643
Income	<u>13,378</u>	<u>12,716</u>
Staff costs	5,141	4,919
Other administrative expenses	3,001	2,706
Depreciation and amortisation	578	571
Operating expenses	<u>8,720</u>	<u>8,196</u>
Value adjustments	1,606	1,234
Operating profit before taxation	<u>3,052</u>	<u>3,286</u>
Income tax expense	425	514
Net profit	<u>2,627</u>	<u>2,772</u>
Of which attributable to Rabobank Nederland and local Rabobanks	1,549	1,846
Of which attributable to holders of Rabobank Member Certificates	315	303
Of which attributable to Capital Securities	612	460
Of which attributable to Trust Preferred Securities III to VI	73	73
Of which attributable to non-controlling interests	78	90
Net profit for the year	<u><u>2,627</u></u>	<u><u>2,772</u></u>

Financial ratios:

	2011	2010
BIS ratio.....	17.5%	16.3%
Tier 1 ratio	17.0%	15.7%
Equity capital ratio ⁽¹⁾	14.7%	14.2%
Bad debt costs (in basis points of average lending).....	37	29

Note:

- (1) The equity capital ratio is calculated by dividing retained earnings and Rabobank Member Certificates by total of risk-weighted assets.

RISK MANAGEMENT

Rabobank Group places a high priority on the management of risk and has extensive procedures in place for systematic risk management. Within Rabobank Group, the risk management policies relating to interest rate risk, market risk and liquidity risk are developed and monitored by the Balance Sheet and Risk Management Committee Rabobank Group (“**BRMC-RG**”) in cooperation with the Group Risk Management department. The BRMC-RG is responsible for balance sheet management, establishing risk policy, setting risk measurement standards, broadly determining limits and monitoring developments, and advising the Executive Board on all relevant issues regarding risk management. The Group Operational Risk Committee (“**GORC**”) focuses on operational risks, whereas the Group’s risk management policies relating to credit risk are developed by the Policy Credit Committee Rabobank Group in cooperation with the Group Risk Management and the Credit Risk Management department. These committees report to the Executive Board, which is ultimately responsible for risk management within Rabobank Group.

The principal risks faced by Rabobank Group are credit risk, country risk, interest rate risk, liquidity risk, market risk and operational risk. Rabobank has implemented an economic capital framework to determine the amount of capital it should hold on the basis of its risk profile and desired credit rating. Economic capital represents the amount of capital needed to cover for all risks associated with a certain activity. The economic capital framework makes it possible to compare different risk categories with each other because all risks are analysed by using the same methodology. See also “Risk Factors”.

Risk Adjusted Return On Capital

Relating the profit achieved on a certain activity to the capital required for that activity produces the Risk-Adjusted Return On Capital (“**RAROC**”). RAROC is calculated by dividing economic return by economic capital. The calculation and review of RAROC across Rabobank Group’s business activities and entities assists Rabobank Group in striking a balance between risk, returns and capital for both Rabobank Group and its constituent parts. This approach encourages each individual group entity to ensure appropriate compensation for the risks it runs. RAROC is therefore an essential instrument for positioning products in the market at the right price.

The use of the RAROC model to classify Rabobank Group’s activities also plays a role in the allocation of capital to the various group entities and the different risk categories. If the calculated RAROC lags behind a formulated minimum result to be achieved, which is a reflection of the costs of the capital employed, economic value is wasted. A higher RAROC implies the creation of economic value. For the year ended 31 December 2011, Rabobank realised a RAROC after tax of 11.8 per cent.

Credit risk

Rabobank Group aims to offer continuity in its services. It therefore pursues a prudent credit policy. Once granted, loans are carefully managed so there is a continuous monitoring of credit risk. At 31 December 2011, 47 per cent. of Rabobank Group’s credit loan portfolio to the private sector consisted of loans to private individuals, mainly residential mortgages, which tend to have a very low risk profile in relative terms. The remaining 53 per cent. was a highly diversified portfolio of loans to business clients in the Netherlands and internationally.

Approval of larger credit applications is decided on by committees. A structure consisting of various committees has been established, with the total exposure including the requested financing determining the applicable committee level. The Executive Board itself decides on the largest credit applications. Rabobank Group has three Policy Credit Committees (“**PCCs**”): Rabobank Group PCC and the Rabobank International and Member Banks PCCs. Rabobank Group PCC establishes Rabobank Group’s credit risk policy. Rabobank Group entities define and establish their own credit policies within this framework. In this context, the Member Banks PCC is responsible for domestic retail banking and the Rabobank International PCC for wholesale banking and international retail banking. Rabobank Group PCC is chaired by the CFO and the

Executive Board is represented by three members. The CFO also chairs the Rabobank International and Member Banks PCCs. The PCCs are composed of representatives from Rabobank Group's most senior management levels. For corporate loans, a key concept in Rabobank Group's policy for accepting new clients is the "know your customer" principle, meaning that loans are granted only to corporate clients whose management, including their integrity and expertise, is known and considered acceptable by Rabobank Group. In addition, Rabobank Group is familiar with the industry in which a client operates and can assess its clients' financial performance. Corporate social responsibility implies responsible financing; accordingly, corporate social responsibility guidelines apply to the lending process as well.

With respect to the management of Rabobank Group's exposure to credit risk, Rabobank Nederland's Credit Risk Management department and Group Risk Management department play a key role. Credit applications beyond certain limits are subject to a thorough credit analysis by credit officers of Credit Risk Management. Group Risk Management monitors Rabobank Group's credit portfolio and develops new methods for quantifying credit risks.

Risk profiling is also undertaken at the portfolio level using internal risk classifications for portfolio modelling. Internal credit ratings are assigned to borrowers by allocating all outstanding loans into various risk categories on a regular basis.

Rabobank Group uses the Advanced IRB approach for credit risk. This is the most risk-sensitive form of the Basel II Credit Risk approaches. Rabobank Group has professionalised its risk management even further by combining Basel II compliance activities with the implementation of a best-practice framework for Economic Capital. The main Basel II parameters as far as credit risk is concerned are EAD (Exposure At Default), PD (Probability of Default) and LGD (Loss Given Default). It is partly on the basis of these parameters that Rabobank Group determines the economic capital and the Risk Adjusted Return On Capital (RAROC). These Basel II parameters are an important element of management information. A significant advantage associated with the use of economic capital is a streamlined and efficient approval process. The use of the Basel II parameters and RAROC support credit analysts and the Credit Committees in making well-considered decisions. Every group entity has established a RAROC target at customer level. Next to credit quality, this is an important factor in taking decisions on specific credit applications.

Rabobank Group believes it has a framework of policies and processes in place that is designed to measure, manage and mitigate credit risks. Rabobank Group's policy for accepting new clients is characterised by careful assessment of clients and their ability to make repayments on credit granted. As a result, Rabobank believes the loan portfolio has a relatively low risk profile. Rabobank Group's objective is to enter into long term relationships with clients which are beneficial for both the client and Rabobank Group.

EAD is the expected exposure to the client in the event of, and at the time of, a counterparty's default. At year-end 2011, the EAD of the total Advanced IRB loan portfolio was €606 billion (2010: €546 billion). This EAD includes the expected future usage of unused credit lines. As part of its approval process Rabobank Group uses the Rabobank Risk Rating system, which indicates the counterparty's PD over a one-year period. The counterparties have been assigned to one of the 25 rating classes, including four default ratings. These default ratings are assigned if the customer defaults, the form of which varies from payment arrears of ninety days to bankruptcy. The weighted average PD of the total Advanced IRB loan portfolio is 1.06 per cent. (2010: 1.21 per cent.). This improvement in PD was caused by a change in the PD of existing debtors as well as by changes in the composition of the portfolio (inflow and outflow of clients), the implementation of new models and policy changes.

The following table shows the impaired loans (i.e. the amount of loans for which an allowance has been taken) of 31 December 2011, 2010 and 2009 per business unit as a percentage of private sector loans:

Impaired loans/private sector lending per business unit

	At 31 December		
	2011	2010	2009
	<i>(in percentages)</i>		
Domestic retail banking.....	1.54	1.56	1.55
Wholesale banking and international retail banking.....	3.46	3.25	4.19
Leasing.....	3.10	3.93	4.64
Real Estate	5.53	4.40	1.73
Rabobank Group	2.25	2.16	2.28

Bad debt costs

Once a loan has been granted, ongoing credit management takes place as part of which new information, both financial and non-financial, is assessed. The bank monitors if the client meets all its obligations and whether it can be expected the client will continue to do so. If this is not the case, credit management is intensified, monitoring becomes more frequent and a closer eye is kept on credit terms. Guidance is provided by a special unit within Rabobank Group, particularly in case of larger and more complex loans granted to businesses whose continuity is at stake. If it is probable that the debtor will be unable to fulfil its contractual obligations, this is a matter of impairment and an allowance is made which is charged to income.

The table below sets forth Rabobank Group's bad debt costs for the three years ended 31 December 2011, 2010 and 2009, per business unit as a percentage of private sector lending:

Bad debt costs/average private sector lending per business unit

	Year ended 31 December		
	2011	2010	2009
	<i>(in percentages)</i>		
Domestic retail.....	0.22	0.13	0.26
Wholesale banking and international retail banking.....	0.73	0.64	1.05
Leasing.....	0.58	0.90	1.32
Real estate.....	0.69	0.36	0.14
Rabobank Group	0.37	0.29	0.48

Structured credit

Rabobank Group's trading and investment portfolios have limited direct exposure to more structured investments, which amounted to €4.6 billion at 31 December 2011, compared to €5.8 billion at 31 December 2010, of which the majority, 79 per cent. (2010: 89 per cent.), is single A-rated or higher.

In a number of cases, monoline insurers are the counterparty to credit default swaps that hedge the credit risk of certain investments. In most cases, solvency objectives are the main reason for the existence of these hedges rather than the credit quality of these investments. The creditworthiness of a number of monoline insurers is subject to downward pressure, which was also reflected by the downgrading of the credit ratings of these institutions. Counterparty risk relating to these monoline insurers arises in case the value of the credit default swaps with these counterparties increases, due to a decrease of the fair value of the underlying investments, or because other insured investments can lead to payment claims against these insurers. In this the credit quality of the investments and time-related aspects are taken into account. At 31 December 2011 the total counterparty risk before provisions amounted to €1,313 million. The total provisions on that date ended up at €1,140 million. The remaining counterparty risk at 31 December 2011 amounted to €173 million.

Given these figures, further downgrades of monoline insurers would have a limited impact, because for the major part of this type of counterparty, risk provisions have already been made.

Country risk

Rabobank Group uses a country limit system to manage transfer risk and collective debtor risk. After careful review, relevant countries are given an internal country risk rating, after which transfer limits and general limits are established.

Transfer limits are determined according to the net transfer risk, which is defined as total loans granted, less loans granted in local currency, less guarantees and other collateral obtained to cover transfer risk, and less a reduced weighting of specific products. The limits are allocated to the offices, which are themselves responsible for the day-to-day monitoring of the loans granted by them and for reporting on this to Group Risk Management.

At Rabobank Group level, the country risk outstanding, including additional capital requirements for transfer risk, is reported every quarter to Rabobank Group's Balance Sheet and Risk Management Committee Rabobank Group (the "BRMC-RG") and the Country Limit Committee. The calculations of additional capital requirements for transfer risk are made in accordance with internal guidelines and cover all countries where transfer risk is relevant.

At 31 December 2011, the net transfer risk before provisions for non-OECD countries was 1.7 per cent. (2010: 1.4 per cent.).

At 31 December 2011 the Rabobank Group exposure to government bonds issued by Greece, Ireland, Italy, Portugal and Spain (the GIIPS-countries) was €349 million. In addition there was a limited exposure to Greek and Portuguese state-guaranteed bonds. The Portuguese state-guaranteed bonds were repaid in February 2012. The bonds issued by financial institutions in the countries referred to are mainly Spanish covered bonds. The issuing entity has provided additional collateral.

Government exposure at year-end 2011 (in millions of euro)

Country	Government bonds	State-guaranteed bonds	Bonds issued by financial institutions	Total	Cumulative changes through profit or loss at 31 December 2011
Greece	49	38	-	87	227
Ireland	60	-	31	91	8
Italy	200	-	55	255	-
Portugal	19	60	42	121	23
Spain	21	23	1,450	1,494	116
Total	349	121	1,578	2,048	374

Based on Rabobank Group's accounting policies, it has been established with respect to the Greek and Portuguese government bonds and a number of bonds issued by financial institutions that impairment losses need to be recognised; these positions have been impaired to their fair market value at 31 December 2011. The average valuation of the Greek government bonds and state-guaranteed bonds was 28 per cent. at year-end 2011.

Exposure to European government bonds other than Dutch, German and French is very limited. There is no exposure to Cyprus, Hungary and Romania. The portfolio of French government bonds was sharply reduced in 2011 to approximately €6 billion (2010: approximately €11 billion).

Interest rate risk

Rabobank Group is exposed to structural interest rate risk in its balance sheet. Interest rate risk can result from, among other things, mismatches in assets and liabilities; for example, mismatches between the periods for which interest rates are fixed on loans and funds entrusted. Rabobank Group manages interest rate risk by using both the accrual based Income at Risk concept and the value based Equity at Risk concept. Based on the Income at Risk and Equity at Risk analyses, the Executive Board forms an opinion with regard to the acceptability of losses related to projected interest rate scenarios, and decides upon limits with regard to the Group's interest rate risk profile.

Rabobank Group's short-term interest rate risk can be quantified by looking at the sensitivity of net interest income (interest income less interest expenses, before tax) for changes in interest rates. This "Income at Risk" figure represents the change in net interest income for the coming 24 months, due to parallel increases/decreases in interest rates of 200 basis points, assuming no management intervention. As of 1 January 2011 the Income at Risk calculation also takes account of changes in client savings and prepayments behaviour in reaction to interest rate movements and changes in the pricing policy of savings products. The applied interest rate scenarios are based on the assumption that all money and capital market interest rates will show an even and parallel increase/decline by 200 basis points during the first 12 months and remain at those elevated levels in months 13 to 24. The simulation of the possible interest income development is based on an internal interest rate risk model. This model includes certain assumptions regarding the interest rate sensitivity of products with interest rates that are not directly linked to a certain money or capital market rate, such as savings of private customers.

Rabobank Group's long-term interest rate risk is measured and controlled based on the concept of "Equity at Risk", which is the sensitivity of Rabobank Group's economic value of equity to an instant parallel change in interest rates of 200 basis points. The economic value of equity is defined as the present value of the assets less the present value of the liabilities plus the present value of the off-balance sheet items. In the Equity at Risk calculation client behaviour and the bank's pricing policy are supposed to show no changes, while all market interest rates are assumed to increase/decline by 200 basis points at once. Just as in the Income at Risk calculation, the impact analysis of these scenarios is based on an internal interest rate risk model. In that model balance sheet items without a contractual maturity, like demand savings deposits and current accounts, are included as a replicating portfolio. Equity at Risk is expressed as a percentage. This percentage represents the deviation from the economic value of equity at the reporting date.

At 31 December 2011, the Income at Risk ("**IatR**") and Equity at Risk ("**EatR**") for Rabobank Group were as follows:

	200 basis points increase	200 basis points decrease
	<i>(in millions of euro, except percentages)</i>	
IatR 1-12 months	434	(191)
IatR 13-24 months	1,120	16
EatR	(5%)	(1%)

Rabobank Group performs complementary scenario analyses to assess the impact of changes in customer behaviour and the economic environment.

Liquidity risk

Liquidity risk is the risk that the bank is not able to meet its financial liabilities when due, as well as the risk that it is unable to fund increases in assets either at reasonable prices or at all. In line with the Basel principles, the Rabobank Group policy is that long-term lending is financed by means of stable funding, being funding from customers and long-term funding from the professional market. Liquidity risk management is based on three pillars.

The first pillar sets strict limits on the maximum outgoing cash flows of the wholesale banking division. This ensures that excessive dependence on the professional market is avoided. To this end, the incoming and outgoing cash flows over the next 12 months are calculated and reported on a daily basis. In addition, limits have been set on the outgoing cash flows per currency and location. Detailed contingency plans have been drawn up in order to ensure the bank is prepared for potential crises.

Under the second pillar, a large buffer of liquid assets is held. If necessary, these assets can be used to generate liquidity immediately, either by being used in repo transactions, being sold directly on the market, or by means of pledging them to central banks.

The third pillar is to limit liquidity risk by pursuing a prudent funding policy that is designed to ensure that the financing requirements of group entities are met at an acceptable cost. The diversification of funding sources and currencies, the flexibility of the funding instruments used and an active investor relations function play an important role in this context. This prevents Rabobank Group from becoming overly dependent on a single source of funding.

Liquidity risk is an organisation-wide matter and managed by Treasury Rabobank Group in cooperation with Rabobank International Global Financial Markets. Several methods have been developed to measure and manage liquidity risk. Methods used to measure liquidity risk include the CA/CL method (Core Assets/Core Liabilities). Using various time periods, a quantification is made of the assets, unused facilities and liabilities that are expected to remain on the balance sheet after assumed and closely defined stress scenarios have occurred. These remaining assets and liabilities are referred to as Core Assets and Core Liabilities, respectively, and their inter-relationship is the liquidity ratio. A ratio below 1.2 is considered adequate and in 2011, this was the case for the scenarios used. The Dutch regulator also provides extensive guidelines for measuring and reporting the liquidity position of Rabobank Group. According to these guidelines the liquidity position is more than adequate, with available liquidity exceeding the requirement by 40 per cent. on average.

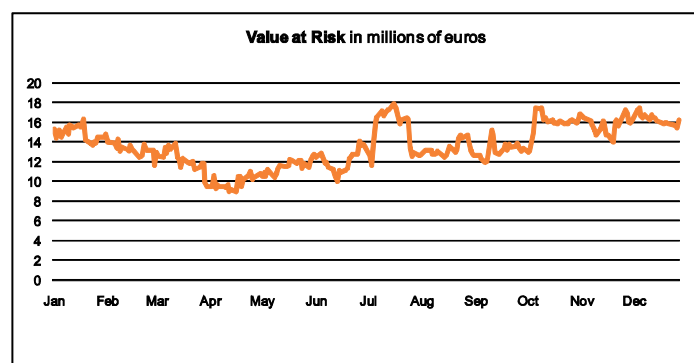
Market risk

Market risk relates to the change in value of Rabobank Group's trading portfolio as a consequence of changes in market prices, such as interest rates, foreign exchange rates, credit spreads, commodity prices and equity

share prices. The BRMC-RG is responsible for developing and supervising market risk policies and monitors Rabobank Group's worldwide market risk profile. On a daily basis, the Market Risk department measures and reports the market risk positions. Market risk is calculated based on internally developed risk models and systems, which are approved and accepted by the Dutch Central Bank. Rabobank Group's risk models are based on the "Value at Risk" concept. Value at Risk describes the maximum possible loss that Rabobank Group can suffer within a defined holding period, based on historical market price changes and a given certain confidence interval. Value at Risk within Rabobank Group is based on actual historical market circumstances. To measure the potential impact of strong adverse market price movements, stress tests are applied. These "event risk scenarios" measure the effect of sharp and sudden changes in market prices. Value at Risk and event risk are tied to limits that are set by the Executive Board on an annual basis.

For the year ended 31 December 2011, the Value at Risk, based on a one day holding period and 97.5 per cent. confidence level, fluctuated between €10 million (2010: €9 million) and €24 million (2010: €18 million), with an average of €16 million (2010: €14 million). The slight increase of the average Value at Risk compared to 2010 follows from changes in positions and activities.

Value at Risk models have certain limitations; they are more reliable during normal market conditions, and historical data may fail to predict the future. Therefore, Value at Risk results cannot guarantee that actual risk will follow the statistical estimate. The performance of the Value at Risk models is regularly reviewed by means of back testing. These back testing results are reported both internally, as well as to the regulator. In addition to Value at Risk, also other risk indicators are used for market risk management. Some of them are generated by using statistical models. All these indicators assist the Market Risk department, as well as the BRMC-RG in evaluating Rabobank Group's market positions.



Source: Rabobank Group Annual Report 2011

Operational risk

Operational risk is the risk of direct or indirect losses arising from inadequate or failed internal processes, people and systems or from external events. Possible legal and reputational risks are included while assessing and managing operational risks. Rabobank Group has a Group-wide operational risk policy and it applies the Advanced Measurement Approach to its operational risk framework. The group-wide operational risk policy is based upon the principle that the primary responsibility for managing operational risks lies with the Rabobank Group entities and should be interwoven in the strategic and daily decision-making. The management of each Rabobank Group entity is responsible for developing policies and procedures to manage their specific operational risks in line with Rabobank Group Operational Risk Management policy. Group Risk Management – Operational Risk Management ("GRM-ORM") offers overview, support tools, expertise and challenge to the group entities and provides transparency in the Rabobank Group to senior management. Examples of the instruments made available to facilitate operational risk management within each Rabobank Group entity include risk assessment and scenario analysis. All entities record operational incidents and report them on a quarterly basis to the Group Operational Risk department which are in turn used for both operational risk management and measurement.

GOVERNANCE OF RABOBANK GROUP

Corporate governance

In recent years the corporate governance of organisations has been of particular public interest. On account of its cooperative organisation, Rabobank's corporate governance is characterised by a robust system of checks and balances. As a result, this governance is in many respects even stricter than in listed enterprises. The members of the independent, cooperative local Rabobanks exercise influence at a local level. As members of Rabobank Nederland, the local Rabobanks in turn play a very important part in the policy-making within Rabobank's organisation. For example, a distinguishing feature in Rabobank Group's governance is the Central Delegates Assembly, Rabobank Group's parliament, which meets at least four times a year and where Rabobank Nederland's members are able to participate in virtually all Rabobank Nederland's strategic decisions.

Although the Dutch Corporate Governance Code does not apply to the cooperative as a legal form of enterprise, Rabobank Nederland's corporate governance is broadly consistent with this code. Rabobank also observes the Banking Code, which was adopted in 2009 by the Netherlands Bankers' Association and came into force on 1 January 2010.

Executive Board

The Executive Board (*raad van bestuur*) of Rabobank Nederland is responsible for the management of Rabobank Nederland and, indirectly, its affiliated entities. The management of Rabobank Group is based on its strategic principles and, by extension, on the interrelationship between risk, return and equity. This includes responsibility for the achievement of the objectives of Rabobank Group as a whole, its strategic policy with the associated risk profile, its results, the social aspects of its business and their relevance to the enterprise, the synergy within Rabobank Group, compliance with all relevant laws and regulations, the management of business risks and the financing of Rabobank Group. The Executive Board reports on all these aspects to the Supervisory Board (*raad van commissarissen*) of Rabobank Nederland, the Central Delegates Assembly and the General Meeting (*algemene vergadering*) of Rabobank Nederland, which is formed by the members, i.e. the local Rabobanks.

The Financial Supervision Act and related subordinate legislation, as well as regulations imposed by the Dutch supervisory authorities have formulated standards for financial institutions. The supervision of Rabobank Nederland's solvency and stability — i.e. prudential supervision — is performed by the Dutch Central Bank, while the AFM supervises orderly and transparent market processes, sound relationships between market parties and conscientious customer treatment, i.e. conduct supervision. Obviously, these regulations form the framework for the organisation and control of Rabobank Group's activities.

The members of the Executive Board are appointed by the Supervisory Board for a four-year period, but their contracts of employment are for an indefinite period. Reappointments likewise are for a four-year term. Members may be dismissed and suspended by the Supervisory Board. The Supervisory Board determines the remuneration of the members of the Executive Board and reports on this to the Committee on Confidential Matters of the Central Delegates Assembly. The principles of the remuneration policy for the Executive Board, as recommended by the Supervisory Board, are established by the Central Delegates Assembly. Finally, the Supervisory Board periodically assesses and follows up on the Executive Board's performance. The Executive Board is responsible for the authorisation of debenture issues of Rabobank Nederland, under the approval of the Supervisory Board.

Supervisory Board

The Supervisory Board performs the supervisory role within Rabobank Nederland. This means that the Supervisory Board supervises the policy pursued by the Executive Board and the general conduct of affairs of Rabobank Nederland and its affiliated entities. As part thereof, the Supervisory Board monitors the

compliance with the law, the Articles of Association and other relevant rules and regulations. In practice, this means that the achievement of Rabobank Group's objectives, the strategy, business risks, the design and operation of the internal risk management and control systems, the financial reporting process and compliance with laws and regulations are discussed at length and tested regularly. In addition, the Supervisory Board has an advisory role in respect of the Executive Board.

The Supervisory Board has five committees: the Audit & Compliance Committee, the Cooperative Issues Committee, the Appointments Committee, the Remuneration Committee and the Appeals Committee. These committees perform preparatory and advisory work for the Supervisory Board.

In the performance of their duties, the members of the Supervisory Board act in the interests of all stakeholders of Rabobank Nederland and its affiliated entities. Certain key Executive Board decisions are subject to Supervisory Board approval. Examples include decisions on strategic collaboration with third parties, major investments and acquisitions, as well as the annual adoption of policy plans and the budget.

The members of the Supervisory Board are appointed by the General Meeting of Rabobank Nederland on the recommendation of the Supervisory Board. However, the Executive Board, as well as Rabobank Nederland's Works Council and the General Meeting are each entitled to nominate individuals for consideration by the Supervisory Board. The independence of the individual members, among other factors, is an important consideration for nomination and appointments of Supervisory Board members. Any semblance of a conflict of interests must be avoided. The profile for the Supervisory Board sets standards for its size and composition, taking into account the nature of the enterprises carried on by Rabobank Nederland and its activities, and for the expertise, backgrounds and diversity of the Supervisory Board members. The profile for the Supervisory Board is drawn up in consultation with the Committee on Confidential Matters of the Central Delegates Assembly and is adopted by the General Meeting. The Supervisory Board's desired composition and the competencies represented in it are specific areas of attention, within the profile's framework, when nominating candidates for appointment or reappointment.

The Committee on Confidential Matters of the Central Delegates Assembly determines the remuneration of the Supervisory Board members and also has a say in the profile of the members of the Supervisory Board.

The Supervisory Board, headed by its Chairman, continually assesses its own performance, both as a collective body and in terms of its separate committees and individual members. Initiatives are developed regularly to keep Supervisory Board members abreast of developments or to increase their knowledge in various areas.

Member influence

As a cooperative, Rabobank has members, not ordinary shareholders like companies do. The local cooperative Rabobanks are members of the Rabobank Nederland cooperative and hence have an important role in the working of Rabobank Nederland's governance. In that context, a key element is the open and transparent culture, with clear accountability for the management and supervision and the assessment thereof. The influence and control of the local Rabobanks are manifested through their representation in two bodies: the Central Delegates Assembly and the General Meeting. The local Rabobanks can vote at the General Meeting according to a formula that is adjusted periodically by the Executive Board, and through indirect representation at the Central Delegates Assembly.

Central Delegates Assembly

The local Rabobanks are organised geographically in twelve Regional Delegates Assemblies, each with a board of six. Together the Boards of the Regional Delegates Assemblies form the Central Delegates Assembly (*Centrale Kringvergadering*) ("CKV"), which meets at least four times a year in the city of Utrecht. Prior to the CKV, the banks belonging to a particular Regional Delegates Assembly discuss the agenda at their Assembly. Thus, the members of the local Rabobanks, through the representation of the local management and supervisory bodies in the Regional Delegates Assemblies, are represented in the CKV, although without

instructions or consultations. The majority of the Boards of the Regional Delegates Assemblies and thereby the CKV consists of individuals elected by the local members, who from their commitment to the Rabobank organisation wish to fulfil this role.

The CKV's powers include the establishment of rules that are binding on all local Rabobanks and the establishment of Rabobank's Strategy. This strategy describes the principles for the Executive Board's policies and thereby directly influences Rabobank Group's policy. The CKV also approves the budget for Rabobank Nederland's activities on behalf of the local Rabobanks. The CKV has in-depth discussions, which are held not only as part of the CKV's specific duties and powers, but also with the aim of encouraging commitment in the local Rabobanks and consensus between the local Rabobanks and Rabobank Nederland. Finally, the CKV advises the local Rabobanks on all the items on the agenda pertaining to the General Meeting.

The manner in which Rabobank Nederland accounts for its policy to its members in the CKV is considerably more extensive than the account rendered by a typical listed public company to its shareholders. Because of the special relationship between Rabobank Nederland and its members, the CKV enjoys almost full attendance. In order to operate effectively, the CKV has appointed three committees from among its members, which are charged with special duties. The Committee on Confidential Matters advises on appointments in the Supervisory Board, sets the Supervisory Board's remuneration and assesses the Supervisory Board's application of the remuneration policy. The Coordinating Committee draws up the agenda of the CKV and subjects items for the agenda to formality compliance tests. The Emergency Affairs Committee advises the Executive Board on behalf of the CKV in urgent, price-sensitive and/or confidential cases concerning major investments or divestments.

In order to maintain maximum effectiveness of the CKV, an internal committee was established in 2006 whose task was to advise on the CKV's desired future size and composition. The committee's recommendations included the following: to reduce the CKV membership from 120 to 72, to introduce observers in the CKV and to confirm the CKV's composition according to the ratio of "2 elected members to 1 appointed member". These recommendations have been implemented.

General Meeting

The General Meeting (*algemene vergadering*) is the body through which all local Rabobanks, as members of Rabobank Nederland, can exercise direct control. The General Meeting deals with important issues, such as the adoption of the financial statements, approval and endorsement of management and supervision, amendments to the Articles of Association and regulations, and the appointment of members of the Supervisory Board. The CKV issues advice prior to the General Meeting on all the items on the agenda. This procedure ensures that, prior to the General Meeting, these subjects have been discussed in detail on a local, regional and central level. Because of the special relationship between Rabobank Nederland and its members, the General Meeting enjoys almost full attendance.

Local Rabobanks

Corporate governance at the local Rabobanks

In the past, the local Rabobanks could choose one of two governance models: the Partnership model and the Executive model. Based on a review of the operation of both models, preparations started in 2009 to replace them and from mid-2010 they began to be replaced by a single governance model: the Rabo model. Effective member influence and control are similarly assured in this new governance model, and the governance of the local Rabobanks will be carried out both adequately and professionally, and in a way that befits their cooperative culture. The members of all the local Rabobanks have important powers, for instance to adopt the financial statements, to amend the Articles of Association, to appoint members of the Supervisory Board and to approve and endorse management and supervision. Account is rendered to the members in respect of the local Rabobank's management and supervision.

Rabo model

In the Rabo model, each local Rabobank has a Board of Directors comprising several persons appointed by the Supervisory Board, which operates under the supervision of the Supervisory Board. A delegation of the members (*de ledenraad*) has important powers, such as to appoint the members of the Supervisory Board, to amend the articles of association, to approve of a merger and to adopt the financial statements. Each member of a local Rabobank belongs to an electoral district and has the power to vote for a candidate of that electoral district as a member of the delegation of members (*de ledenraad*). From mid-2010 the Rabo model began to replace the Partnership model and the Executive model.

Member council

Local Rabobanks must institute a member council in order to firmly and permanently embed member influence and control in the structure. The member council is a delegation of all members elected by the members from their ranks. The member council assumes the bulk of the powers of the General Meeting and promotes and structures member control and engagement. The General Meeting continues to exist, but decides only on major issues that impact the local Rabobank's continued existence.

Employee influence within Rabobank Group

Rabobank attaches great value to consultations with the various employee representative bodies. Employee influence within Rabobank Group has been enabled at various levels. Issues concerning the business of Rabobank Nederland are handled by Rabobank Nederland's Works Council. Subsidiaries such as Robeco, De Lage Landen, Orbay and Rabo Real Estate Group each have their own Works Councils with consultative powers on matters concerning these enterprises. In addition, each local Rabobank has its own Works Council to discuss matters concerning that particular local Rabobank. The Group Works Council of Member Banks ("**GOR AB**") is a cooperative-structure based employee representative body that represents the interests of the employees of the local Rabobanks on issues that concern all the local Rabobanks or a majority thereof. In the case of a proposed decision, as defined in the Dutch Works Councils Act, that affects the majority of the local Rabobanks, it is submitted for approval or advice to the GOR AB. In the case of a proposed decision that does not affect the majority of all local Rabobanks, the GOR AB does not interfere with the position of the Works Councils of the local Rabobanks. Rabobank Group also has an employee representative body at a European level, the European Working Group ("**EWG**"), in which employees of Rabobank offices from the EU member states are represented. The EWG holds discussions with the Executive Board at least twice a year about developments within Rabobank Group. This does not affect the role of the national employee representative bodies.

Dutch Corporate governance code

Although it is under no obligation to do so due to its cooperative structure, Rabobank Nederland complies with the Dutch Corporate Governance Code on a voluntary basis.

Partly because of its cooperative structure, Rabobank Nederland departs in some respects from the Dutch Corporate Governance Code.

Banking Code

On 9 September 2009, the Banking Code for Dutch banks was adopted as binding by the Board of the Netherlands Bankers' Association, in response to the report entitled "Restoring Trust" ("*Naar herstel van vertrouwen*") of the Advisory Committee on the Future of Banks in the Netherlands. Although the Banking Code did not come into force until 1 January 2010, Rabobank commenced compliance preparations in 2009. Rabobank intends fully to observe the Banking Code and has only one departure, which is explained according to the "comply or explain" principle. This departure concerns the severance pay for members of the Executive Board. Members of the Executive Board appointed prior to 1 January 2010 receive severance pay based on the subdistrict court formula in the event of their removal. This entitlement to severance pay was laid

down in agreements made previously with the relevant members of the Executive Board and therefore constitutes a departure from the relevant provision of the Banking Code. The Banking Code principle on severance pay will be complied with in the case of new members of the Executive Board.

Controls over financial reporting

Rabobank Group constantly seeks to improve its corporate governance and overall internal controls, with the aim of achieving an open culture and transparent accountability in respect of policies and supervision, and to remain in line with the leading standards across the globe. Accordingly, Rabobank Group voluntarily implemented internal controls over its financial reporting in a manner similar to that of US-registered companies pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 (the “**Sarbanes-Oxley Act**”), even though Rabobank Group is not a registrant with the United States Securities and Exchange Commission and, thus, is not subject to the Sarbanes-Oxley Act or related regulations and oversight. Rabobank Group believes that internal controls over financial reporting increase the effectiveness of such reporting, and offer opportunities to identify and remedy any deficiencies at an early stage. This results in a higher quality of Rabobank Group’s financial reporting process.

Internal controls

Rabobank Group uses internal controls to provide reasonable assurance that:

- transactions are recorded as necessary to permit the preparation of financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and that receipts and expenditures are recognised only in accordance with authorisations of management;
- unauthorised acquisition, use or disposition of assets that could have a material effect on the financial statements, is prevented or detected.

Rabobank Group’s internal control framework is based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission (“**COSO**”). As set out in the report included in the financial statements, the Executive Board concluded that the internal risk management and control systems are adequate and effective and provide reasonable assurance that the financial reporting is free of material misstatement.

Members of Supervisory Board and Executive Board

Supervisory Board of Rabobank Nederland

The following persons, all of whom are resident in the Netherlands, are appointed as members of the Supervisory Board and the Executive Board of Rabobank Nederland, respectively:

Name	Born	Year Appointed ¹	Term Expires	Nationality
Lense (L.) Koopmans, Chairman	1943	2002	2013	Dutch
Antoon (A.J.A.M.) Vermeer, Vice Chairman	1949	2002	2014	Dutch
Irene (I.P.) Asscher-Vonk	1944	2009	2013	Dutch
Tom (A.) de Bruijn	1953	2009	2013	Dutch
Wout (W) Dekker	1956	2010	2015	Dutch

¹ As a result of a 2002 amendment of the management organisation of Rabobank Nederland, the former supervisory council was replaced by the Supervisory Board due to which the appointment date for a number of supervisory directors was fixed at 2002 even though they had been previously on the supervisory council.

Name	Born	Year Appointed ¹	Term Expires	Nationality
Louise (L.O.) Fresco	1952	2006	2014	Dutch
Leo (S.L.J.) Graafsma	1949	2010	2014	Dutch
Erik (E.A.J.) van de Merwe	1950	2010	2015	Dutch
Marinus (M.) Minderhoud	1946	2002	2014	Dutch
Martin (M.J.M.) Tielen	1942	2002	2013	Dutch
Cees (C.P.) Veerman.....	1949	2007	2015	Dutch

Mr L. Koopmans (Lense)

Date of Birth	17 June 1943
Profession	<ul style="list-style-type: none"> Professional supervisory director Former Professor at the Erasmus University of Rotterdam Emeritus Professor at the University of Groningen
Main positions	<ul style="list-style-type: none"> Chairman of the Supervisory Board of Rabobank Nederland Chairman of the Board of Directors of Stichting TBI
Nationality	Dutch
Auxiliary positions	<p>Supervisory Directorships:</p> <ul style="list-style-type: none"> Chairman of the Supervisory Board of Siers Groep B.V. Chairman of the Supervisory Board of Arriva Nederland B.V. Chairman of the Supervisory Board of TSS B.V. Vice-Chairman of the Supervisory Board of KIWA N.V. <p>Other auxiliary positions:</p> <ul style="list-style-type: none"> Member of the Board of Directors of Unilever Trust Office Vice-Chairman of the Board of Supervision of the University Medical Center Groningen Chairman of the Board of Supervision of the Fries Museum en Prinsessehof
Date of first appointment to the Supervisory Board	June 2002 (Member of the Board of Directors (<i>raad van beheer</i>) from June 1996 until June 2002)
Current term of appointment to the Supervisory Board	June 2009 – June 2013

Mr A.J.A.M. Vermeer (Antoon)

Date of Birth	21 October 1949
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Profession	Professional director/supervisory director
Main positions	Member of a dairy farming partnership (<i>maatschap melkveehouderijbedrijf</i>)
Nationality	Dutch
Additional positions	Supervisory Directorships: <ul style="list-style-type: none"> • Vice-Chairman of the Supervisory Board of Rabobank Nederland • Chairman of the Supervisory Board of VION N.V. • Member of the Supervisory Board of Achmea B.V. Other additional positions: <ul style="list-style-type: none"> • Member of the Board of Governors of the ZLTO Food, Farming and Agribusiness Chair, Tilburg University • Chairman Board of Supervision of HAS Den Bosch • Chairman Council for the Rural Area (<i>Raad voor het Landelijk Gebied</i>)
Date of first appointment to the Supervisory Board	June 2002
Current term of appointment to the Supervisory Board	June 2010 – June 2014

Mrs I.P. Asscher-Vonk (Irene)

Date of Birth	5 September 1944
Profession	Professional supervisory director
Main position	Emeritus professor at the Radboud University, Nijmegen
Nationality	Dutch
Auxiliary positions	Supervisory Directorships: <ul style="list-style-type: none"> • Member of the Supervisory Board of Rabobank Nederland • Member of the Supervisory Board of KLM • Member of the Supervisory Board of Arriva Nederland • Member of the Supervisory Board of Philip Morris Holland • Member of the Supervisory Board of TBI Other auxiliary positions: <ul style="list-style-type: none"> • Chairman of the Episcopal Court (<i>Bisschoppelijk Scheidsgerecht</i>) • Chairman National Arbitration Board for Schools (<i>Landelijke Geschillencommissie Scholen</i>)

Date of first appointment to the Supervisory Board	June 2009
Current term of appointment to the Supervisory Board	June 2009 – June 2013

Mr A. de Bruijn (Tom)

Date of Birth	9 July 1953
Profession	<ul style="list-style-type: none"> • Entrepreneur • Professional director/professional supervisory director
Main position	Grower of cut flowers and potted plants
Nationality	Dutch
Auxiliary positions	<p>Supervisory Directorships:</p> <ul style="list-style-type: none"> • Member of the Supervisory Board of Rabobank Nederland <p>Other auxiliary positions:</p> <ul style="list-style-type: none"> • Acting member of the Board of Directors of Vereniging Achmea • Chairman Program Advisory Committee Greenhouse Farming Research (Commodity Board for Horticulture/productschap tuinbouw) • Member of the Board of the Dutch Foundation for Innovation in Greenhouse Farming (Stichting Innovatie Glastuinbouw Nederland) • Chairman of the Cooperative Growers Society FresQ (Coöperatieve Telersvereniging) • Member of the Board of the Dutch Produce Association (Branch association of market organisations in vegetables, fruit and fungi in The Netherlands)

Date of first appointment to the Supervisory Board	June 2009
Current term of appointment to the Supervisory Board	June 2009 – June 2013

Mr W. Dekker (Wout)

Date of Birth	10 November 1956
Profession	<ul style="list-style-type: none"> • Professional director
Main position	Chief Executive Officer/Chairman Executive Board Nutreco N.V.
Nationality	Dutch

Auxiliary Positions

Supervisory Directorships:

- Member of the Supervisory Board of Rabobank Nederland
- Member Supervisory Board (member audit committee, member Remuneration Committee) Macintosh Retail Group N.V.

Other auxiliary positions:

- Member Taskforce Biodiversity & Natural Resources
- Member Advisory Council for Issuers NYSE Euronext Amsterdam

Date of first appointment to the Supervisory Board

June 2010

Current term of appointment to the Supervisory Board

June 2012 – June 2015

Mrs L.O. Fresco (Louise)

Date of Birth

11 February 1952

Profession

- Professional director
- Professor

Main positions

- University Professor, University of Amsterdam

Nationality

Dutch

Auxiliary positions

Supervisory Directorships:

- Member of the Supervisory Board of Rabobank Nederland
- Non-executive Director, Unilever N.V./Unilever PLC

Other auxiliary positions:

- Crown-Appointed Member of the Social and Economic Council of the Netherlands (SER)
- Distinguished Professor at Wageningen University
- Member of the Recommendation Committee for the University Asylum Fund
- Vice-chairman of the Board of Supervision of the United Nations University in Tokyo
- Member Royal Holland Society of Sciences and Humanities
- Member Royal Netherlands Academy of Arts and Sciences
- Member of the Spanish Academy of Engineering Sciences and the Swedish Academy of Agricultural and

Forestry Sciences

- Member of the Advisory Board of Wereldvoedselprijs (World Food Prize)
- Member of the Board of Erasmusprijs
- Member of the Board of the Concertgebouworkest
- Member of the former Delta Committee
- Member of the Trilateral Committee
- Columnist NRC Handelsblad

Date of first appointment to the Supervisory Board

June 2006

Current term of appointment to the Supervisory Board

June 2010 – June 2014

Mr S.L.J. Graafsma RA (Leo)

Date of Birth

29 March 1949

Former profession

- Accountant/associate of an audit, tax and advisory firm

Nationality

Dutch

Auxiliary Positions

- Deputy member of the “Accountantskamer” (Chamber of accountants) resulting from the “Wet Tuchtrechtspraak Accountants” (Disciplinary jurisdiction accountants)

Date of first appointment to the Supervisory Board

September 2010

Current term of appointment to the Supervisory Board

September 2010 – June 2014

Mr E.A.J. van de Merwe (Erik)

Date of Birth

30 December 1950

Profession

- Advisor
- Professional director/professional supervisory director

Nationality

Dutch

Auxiliary Positions

Supervisory Directorships:

- Member of the Supervisory Board of Rabobank Nederland
- Chairman of the Supervisory Board of Fornix Biosciences N.V.
- Chairman of the Supervisory Board (and audit committee) of Staalbankiers N.V.
- Chairman of the Supervisory Board (and audit

committee) of Achmea Bank Holding N.V.

- Chairman of the Supervisory Board of Welke Beheer N.V.
- Member of the Supervisory Board (and Chairman of the audit committee) of Achmea B.V.

Other auxiliary positions:

- Non-executive Chairman of GWK Travelex N.V.
- Member of the Board of Directors of Vereniging Achmea
- Member of the Board of Governors of the postgraduate study Corporate Compliance, VU University Amsterdam
- Member Board of Supervision and Chairman audit committee of the Dutch Burns Foundation (Nederlandse Brandwonden Stichting)
- Member Advisory Council Euro Tissue Bank
- Member Advisory Council Dutch Institute of Internal Auditors (IIA)
- Member Arbitration committee Dutch Securities Institute (DSI)
- Jurymember Sijthoff Award

Date of first appointment to the Supervisory Board

June 2010

Current term of appointment to the Supervisory Board

June 2012 – June 2015

Mr M. Minderhoud (Marinus)

Date of Birth

13 September 1946

Profession

None

Main position

None

Nationality

Dutch

Auxiliary Positions

Supervisory Directorships:

- Member of the Supervisory Board of Rabobank Nederland
- Vice-Chairman of the Supervisory Board of Achmea B.V.
- Chairman of the Supervisory Board of Agis Zorgverzekeringen N.V.
- Chairman Vodafone International Holdings B.V.
- Chairman of Vodafone Europe B.V.

Date of first appointment to the Supervisory Board

June 2002

Current term of appointment to the Supervisory Board June 2007 – June 2014

Mr M.J.M. Tielen (Martin)

Date of Birth 22 September 1942

Profession Professor

Main position Emeritus Professor at Utrecht University

Nationality Dutch

Auxiliary positions Supervisory Directorships:

- Member of the Supervisory Board of Rabobank Nederland

Other auxiliary positions:

- Chairman Evaluation Team EAEVE to Faculty of Veterinary Medicine, Afyon, Turkey
- Chairman of the Stichting Stimulering Agrarisch Onderwijs en Praktijk
- Chairman of the Stichting Professor Tielen Fonds
- Acting member of the Board of Directors of Vereniging Achmea
- Professor Honoris Causa University of Environmental and Life Science in Wroclaw, Poland

Date of first appointment to the Supervisory Board June 2002

Current term of appointment to the Supervisory Board June 2009 – June 2013

Mr C.P. Veerman (Cees)

Date of Birth 8 March 1949

Profession

- Professor
- Professional director/supervisory director

Main positions

- CEO of Bracamonte B.V. in Groesbeek
- Professor at Tilburg University and Wageningen University focusing on the field of sustainable rural development from a European perspective
- Crop farmer

Nationality Dutch

Auxiliary positions Supervisory Directorships:

- Member of the Supervisory Board of Rabobank

Nederland

- Member of the Supervisory Board of USG People
- Member of the Supervisory Board of DHV Holding B.V.
- Member of the Supervisory Board of Prominent
- Member of the Supervisory Board of Barenbrug B.V.
- Chairman of the Supervisory Board of Koninklijke Reesink N.V.
- Member of the Supervisory Board of Ikazia Hospital Rotterdam
- Member of the Supervisory Board of KDS
- Chairman of the Board of Supervision of the knowledge for Climate (Kennis voor Klimaat)
- Chairman of the Board of Supervision Deltares

Other auxiliary positions:

- Chairman Deltacommissie (2008)
- Chairman Project Administration Noord Zuidlijn
- Chairman Board of Supervision Roosevelt Academy
- Chairman Committee Toekomstbestendig Hoger Onderwijs Stelsel
- Chairman Advisory Board Dutch Delta Academy
- Member of the Governing Board of the Netherlands Organisation for Scientific Research (NWO)

Date of first appointment to the Supervisory Board

June 2007

Current term of appointment to the Supervisory Board

June 2007 – June 2015

Executive Board of Rabobank Nederland

Name	Born	Year Appointed	Nationality
Piet (P.W.) Moerland, Chairman	1949	2009	Dutch
Bert (A.) Bruggink, CFO	1963	2004	Dutch
Berry (B.J.) Marttin	1965	2009	Dutch and Brazilian
Sipko (S.N.) Schat	1960	2006	Dutch
Piet (P.J.A.) van Schijndel	1950	2002	Dutch
Gerlinde (A.G.) Silvis.....	1959	2009	Dutch

Piet (P. W.) Moerland: Mr. Moerland was appointed to Rabobank Nederland's Executive Board as of 1 January 2003 and was appointed Chairman of the Executive Board of Rabobank Nederland as of 1 July 2009. Mr. Moerland is responsible for Audit Rabobank Group and the Supervisory and Legal and Fiscal Affairs directorates. His portfolio furthermore includes the Knowledge & Economic Research and Communications directorates. After completing his degree and dissertation in the field of economics at the Erasmus University of Rotterdam in 1978, Mr. Moerland undertook a position with Rabobank Nederland's Central Group Staff from 1979 to 1980. Mr. Moerland then took a position as a professor of business administration with a focus on economics at the University of Groningen from 1981 to 1987 and as a professor of business economics with a focus on corporate finance at the University of Tilburg from 1988 to 2002. Mr. Moerland also had a sponsored chair as a professor of corporate governance at the University of Tilburg. Mr. Moerland is a member of the supervisory board of Rabohypotheekbank and a member of the shareholders' council of Rabo Development B.V. Outside Rabobank, Mr. Moerland serves as chairman of the European Association of Co-operative Banks (Groupement), member of the board of directors of International Raiffeisen Union (IRU), Member of the Board of the National Co-operative Council for Agriculture and Horticulture of the Netherlands (NCR) and member of the board of the Dutch Bach Association.

Bert (A.) Bruggink: Mr. Bruggink was appointed Chief Financial Officer of the Executive Board of Rabobank Nederland as of 15 November 2004. Mr. Bruggink is responsible for Control Rabobank Group, Credit Risk Management, Group Risk Management, Treasury Rabobank Group and Special Asset Management Rabobank. Mr. Bruggink joined Rabobank Group in 1986. After several different jobs in Finance and Control within Rabobank Group, he became Head of Finance and Control Rabobank International (1994-1998) and Group Finance Director Rabobank Group (1998-2004). As CFO he fulfils several additional functions. He is a member of the supervisory boards of Rabohypotheekbank, IPB Holding B.V., Rabo Herverzekeringsmaatschappij N.V., Robeco, the Nederlandse Financierings Maatschappij voor Ontwikkelingslanden (FMO), Friesland Bank N.V. and Rabo Cycling Teams (*Rabo Wielerploegen B.V.*). Mr. Bruggink is chairman of the board of the Rabobank Pension Fund and a member of the board of directors of Rabo Groei Sparen B.V. Furthermore, he is a member of the Supervisory Board of ROVA, member of the supervisory board of Windesheim University of Applied Sciences and professor at Twente University.

Berry (B.J.) Marttin: Mr. Marttin was appointed to Rabobank Nederland's Executive Board as of 1 July 2009. Mr. Marttin joined Rabobank in 1990. Within the Executive Board, Mr. Marttin is responsible for the international retail network, the regional international operations, international risk management and Rabobank Development. Shortly after earning his degree in business administration in Brazil, he went to work for Rabobank as an international management trainee. During the more than 14 years that he worked for Rabobank International on various continents and in a range of roles, he gained extensive experience as an international banker in both wholesale banking and retail banking. After fulfilling a number of positions in Brazil, Mr. Marttin was appointed senior marketing officer in Curacao. In 1997 he continued his career as Head of International Corporates in Hong Kong. Mr. Marttin subsequently moved to Indonesia four years later to take up an appointment as Head of Risk Management. Thereafter, Mr. Marttin served as Deputy General Manager of Rural Banking in Australia and New Zealand. Prior to his appointment to Rabobank Nederland's Executive Board, he was Chairman of the board of directors of Rabobank Amsterdam. Mr. Marttin serves as chairman of the Foundation Supervision Internal Market Rabo Extra Member Notes (*Stichting Toezicht Interne Markt Rabo Extra Ledenobligaties*) and member of the supervisory boards of Rabohypotheekbank and De Lage Landen. Mr. Marttin is a member of the board of directors of Rabobank International Holding, a member of the board of RI Investments Holding B.V. and chairman of the shareholders' council of Rabo Development B.V. Mr. Marttin is a member of the Steering Committee Unico Banking Group, vice chairman of the board of directors of the American Chambers of Commerce in the Netherlands, member of the Dutch Trade Board, member of the Amsterdam Climate Council, member of the supervisory boards of Wageningen University and the Sustainable Trade Initiative (*Initiatief Duurzame Handel*), chairman of the advisory board of Amsterdam University College and member of the advisory board of JINC.

Sipko (S.N.) Schat: Mr. Schat was appointed to Rabobank Nederland's Executive Board as of 1 July 2006. Mr. Schat is responsible for Rabobank International's Wholesale Clients division, leading the Wholesale management team. Areas of responsibility are Wholesale Clients Netherlands, Wholesale Clients

International, Professional Products and Global Financial Markets. Mr. Schat took a position as in-house counsel with Rabobank Nederland between 1985 and 1990. Mr. Schat was senior manager Structured Finance between 1990 and 1995, Head Corporate Finance of Rabobank Ireland plc between January 1994 and December 1994, Head Structured Finance Europe between 1995 and 1999 and Head Corporate Finance of Rabobank International between 1999 and 2002. Mr. Schat also held positions as Head Corporate Finance (worldwide), member of the Supervisory Board of Rabobank Ireland plc and Managing Director of Rabo Merchant Bank N.V. As of April 2002 responsible for North and South America and as of September 2004 responsible for Corporate Finance, Trade Finance, Private Equity and Corporate Advisory. He is also a member of the supervisory boards of Rabo Bouwfonds Holding N.V., Rabo Vastgoedgroep, Rabohypothekbank, Bank Sarasin & Cie AG and Rothschilds Continuation Holding AG. Mr. Schat is a member of the board of directors of Rabobank International Holding and a member of the board of RI Investments Holding B.V. Mr. Schat also holds some external positions on behalf of the Rabobank Group: member of the Advisory Committee of Issuing Institutions (Euronext), member of the board of the Confederation of Netherlands Industry and Employers VNO-NCW, member of the Steering Committee of Unico Banking Group and member of the Advisory Council Executive Master Business Valuation at the University of Groningen.

Piet (P.J.A.) van Schijndel: Mr. van Schijndel was appointed to Rabobank Nederland's Executive Board as of 1 December 2002. Mr. van Schijndel is responsible for the Retail, Private Banking and Group ICT directorates. Mr. van Schijndel took a position as a management consultant with Rabobank Nederland from 1975 to 1977. From 1977 to 1979, Mr. van Schijndel was Head of Insurance Administration. From 1979 to 1983, Mr. van Schijndel was a member of the Staff Group Directorate Insurance. Thereafter, he served as Acting Head and Head of the Insurance and Travel Directorate from 1983 to 1986 and from 1986 to 1990, respectively, Vice-chairman of the Executive Board of Interpolis from 1990 to 1997 and Chairman of the Executive Board of Interpolis from 1998 to 2002. Mr. van Schijndel serves as chairman of the supervisory boards of De Lage Landen, Obvion and Friesland Bank N.V. and as vice chairman of the supervisory board of Robeco. Furthermore, Mr. van Schijndel is a member of the board of directors of the NVB (Association of Dutch Banks), a member of the board of the Netherlands Red Cross, a member of the Supervisory Boards of St. Elisabeth Hospital Tilburg and CSU Total Care, chairman of the boards of advisors of the Dutch E-work Foundation (*TelewerkForum*) and of the Industrial Engineering & Innovation Sciences Faculty of Eindhoven University of Technology, vice chairman of the Oisterwijk-Haaren chapter of the Red Cross and chairman of the Friends of the Oisterwijks Brass Band Foundation.

Gerlinde (A.G.) Silvis: Mrs. Silvis was appointed to Rabobank Nederland's Executive Board as of 1 July 2009. Mrs. Silvis is responsible for the Small- and Medium-Sized Enterprises, Company Management, Co-operative, Management & Sustainability Affairs and Human Resources directorates. Mrs. Silvis joined Rabobank in 1984. Having begun working for Rabobank Nederland as a management trainee, she then went on to hold a number of positions within the securities division, the international division, the payments division and Rabofacet. In her role as Head of Administrative Affairs, she was closely engaged in the process of merging local Rabobanks. In recent years, she has served as Head of the Management and Talent Development Directorate and has been responsible for merging the Human Resources and Management and Talent Development directorates into a single directorate providing integrated services for the entire Rabobank Group. Mrs. Silvis serves as chairman of the boards of the Foundation Contingency Fund Rabobanken (*Stichting Garantiefonds Rabobanken*), the Rabobank Guarantee Foundation (*Stichting Waarborg Rabobank*) and the Supervision Internal Market Rabobank Member Certificates Foundation (*Stichting Toezicht Interne Markt Rabobank Ledencertificaten*). Mrs. Silvis is also a member of the board of the Rabobank Foundation and a member of the supervisory boards of Rabohypothekbank, De Lage Landen and Friesland Bank N.V. Outside of Rabobank she serves as a member of the board of the NVB (Dutch Association of Banks), a member of the board of directors of Holland Financial Centre, a member of the INSEAD Dutch Council, member of the supervisory board of Koninklijke Kentalis Zorggroep and member of the supervisory boards of Stadsschouwburg Amsterdam and of the Amsterdam Institute of Finance.

Administrative, management and supervisory bodies - conflicts of interests

The Issuer is not aware of any potential conflicts of interest between the duties to Rabobank and their private interests or other duties of the persons listed above under “Supervisory Board of Rabobank Nederland” and “Executive Board of Rabobank Nederland”.

Administrative, management and supervisory bodies - business address

The business address of the members of Rabobank’s Supervisory Board and Executive Board is Croeselaan 18, 3521 CB Utrecht, the Netherlands.

REGULATION OF RABOBANK GROUP

Rabobank Nederland is a bank organised under the laws of the Netherlands. The principal Dutch law on supervision applicable to Rabobank Nederland is the Financial Supervision Act (*Wet op het financieel toezicht*), which entered into force on 1 January 2007 and under which Rabobank Nederland is supervised by the Dutch Central Bank (*De Nederlandsche Bank N.V.*), the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten* or the “**AFM**”) and the Dutch Ministry of Finance (*Ministerie van Financiën*). Rabobank Nederland and the various Rabobank Group entities are also subject to certain European Union (“**EU**”) legislation, which has a significant impact on the regulation of Rabobank Group’s banking, asset management and broker-dealer businesses in the EU, and the regulation and supervision of local supervisory authorities of the various countries in which Rabobank Group does business.

Basel Standards

The Basel Committee on Banking Supervision of the Bank for International Settlements (the “**Basel Committee**”) develops international capital adequacy guidelines based on the relationship between a bank’s capital and its credit risks. In this context, on 15 July 1988, the Basel Committee adopted risk-based capital guidelines (the “**Basel guidelines**”), which were implemented by banking regulators in the countries that have endorsed them. The Basel guidelines are intended to strengthen the soundness and stability of the international banking system. The Basel guidelines are also intended to reduce competitive inequality among international banks by harmonising the definition of capital and the rules for the evaluation of asset risks and by establishing a uniform target capital base ratio (capital to risk-weighted assets). Supervisory authorities in each jurisdiction have, however, some discretion in determining whether to include particular instruments as capital under the Basel guidelines and to assign different weights, within a prescribed range, to various categories of assets. The Basel guidelines were adopted by the European Community and applied to all banks and investment firms in the EU, and on 1 January 1991, the Dutch Central Bank implemented them and they were made part of Dutch regulations.

In June 1999, the Basel Committee proposed a review of the Basel guidelines of 1988. A new accord (“**Basel II**” – the previous Basel guidelines being referred to as “**Basel I**”) was published in June 2004. Basel II is a flexible framework that is more closely in line with internal risk control and that results in a more sophisticated credit risk weighting. The Basel II framework, consisting of three “pillars”, reinforces these risk-sensitive requirements by laying out principles for banks to assess the adequacy of their capital (“**Pillar 1**”) and for supervisors to review such assessments to ensure banks have adequate capital to support their risks (“**Pillar 2**”). It also seeks to strengthen market discipline by enhancing transparency in banks’ financial reporting (“**Pillar 3**”).

Basel II provides a range of options for determining the capital requirements for credit risk and also operational risk. In comparison to Basel I, Pillar 1 of the new capital framework aligns the minimum capital requirements more closely to each bank’s actual risk of economic loss. Pursuant to Pillar 2, effective supervisory review of banks’ internal assessments of their overall risks is exercised to ensure that bank management is exercising sound judgement and has reserved adequate capital for these risks. Pillar 3 uses market discipline to motivate prudent management by increasing transparency in banks’ public reporting.

Instead of the previous “one size fits all” approach, under Basel II banks have the option to choose between various approaches, each with a different level of sophistication in risk management, ranging from simple via intermediate to advanced, giving banks the possibility to select approaches that are most appropriate for their operations and their financial market infrastructure.

For credit risk, banks can choose between the “Standardised Approach”, the “Foundation Internal Ratings Based Approach” and the “Advanced Internal Ratings Based Approach”. The Standardised Approach is based on external credit ratings and is the least complex. The two Internal Ratings Based Approaches allow banks to use internal credit rating systems to assess the adequacy of their capital. The Foundation Internal Ratings

Based Approach allows banks to use their own credit rating systems with respect to the “Probability of Default”. In addition to this component of credit risk, the Advanced Internal Ratings Based Approach allows banks to use their own credit rating systems with respect to the “**Exposure at Default**” and the “**Loss Given Default**”. Rabobank Group has chosen the most sophisticated approach, the Advanced Internal Ratings Based Approach.

For operational risk, banks can also choose between three approaches with different levels of sophistication, the most refined one being the “Advanced Measurement Approach”. Rabobank Group has chosen the Advanced Measurement Approach.

In the future, under Basel III, capital and liquidity requirements will increase. On 17 December 2009, the Basel Committee proposed a number of fundamental reforms to the regulatory capital framework in its consultative document entitled “Strengthening the resilience of the banking sector”. The Basel Committee published its economic impact assessment on 18 August 2010 and, on 12 September 2010, the Group of Governors and Heads of Supervision, the oversight body of the Basel Committee, announced further details of the proposed substantial strengthening of existing capital requirements. On 16 December 2010 the Basel Committee issued its final view on Basel III. The framework sets out rules for higher and better quality capital, better risk coverage, the introduction of a leverage ratio as a backstop to the risk-based requirements, measures to promote the build-up of capital that can be drawn down in periods of stress, and the introduction of two liquidity standards. The Basel Committee’s package of reforms includes increasing the minimum common equity (or equivalent) requirement from 2 per cent. (before the application of regulatory adjustments) to 4.5 per cent. (after the application of stricter regulatory adjustments which will be gradually phased in from 1 January 2013 until 1 January 2017). The total Tier 1 capital requirement will increase from 4 per cent. to 6 per cent. In addition, banks will be required to maintain, in the form of common equity (or equivalent), a capital conservation buffer of 2.5 per cent. to withstand future periods of stress, bringing the total common equity (or equivalent) requirements to 7 per cent. If there is excess credit growth in any given country resulting in a system-wide build up of risk, a countercyclical buffer of up to 2.5 per cent. of common equity (or other fully loss absorbing capital) may be applied as an extension of the conservation buffer. Furthermore, banks considered to have systemic importance should have loss absorbing capacity beyond these standards. The capital requirements are to be supplemented by a leverage ratio, and a liquidity coverage ratio and a net stable funding ratio will also be introduced. The proposed reforms are expected to be implemented from the beginning of 2013, although certain requirements are subject to a series of transitional arrangements and will be phased in over a period of time, to become fully effective by 2019.

The Basel Committee’s reforms have introduced two international minimum standards for liquidity risk supervision with the aim of ensuring banks have an adequate liquidity buffer to absorb liquidity shocks. The first one is the liquidity coverage ratio (“**LCR**”; to be introduced on 1 January 2015), which is a test to promote short-term resilience of a bank’s liquidity risk profile by ensuring that it has sufficiently high-quality liquid assets to survive a significant stress scenario lasting for 30 days. The second one is a net stable funding ratio (“**NSFR**”; to be introduced on 1 January 2018), which is a test to promote resilience over a longer period by creating additional incentives for banks to fund their activities with more stable funding on an ongoing basis. The NSFR test is similar to the LCR except the period over which it is tested is one year.

There can be no assurance that, prior to its implementation in 2013, the Basel Committee will not amend the package of reforms described above. Further, the European Commission and/or the Dutch Central Bank may implement the package of reforms in a manner that is different from that which is currently envisaged, or may impose additional capital requirements on Dutch banks.

European Union standards

The European Union had adopted a capital adequacy regulation for credit institutions in all its member states based on the Basel I guidelines. In 1989, the EC adopted the Council Directive of 17 April 1989 on the “own funds” of credit institutions (the “**Own Funds Directive**”), defining qualifying capital (“**own funds**”), and the Council Directive of 18 December 1989 on a solvency ratio for credit institutions (the “**Solvency Ratio**”).

Directive” and, together with the Own Funds Directive, the “**Capital Directives**”), setting forth the required ratio of own funds to risk-adjusted assets and off-balance sheet items. The Capital Directives required EU member states to transform the provisions of the Solvency Ratio Directive and the provisions of the Own Funds Directive into national law directly binding on banks operating in the member states. The Capital Directives permitted EU member states, when transforming the Capital Directives into national law, to establish more stringent, but not more lenient requirements. In 1993, the EC adopted the Directive of 15 March 1993 on the capital adequacy of investment firms and credit institutions (“**EEC Directive 1993/6**”) and in 2000 the Directive of 20 March 2000 on the taking up and pursuit of the Business of Credit Institutions (“**EC Directive 2000/12**”), which directive consolidated various previous directives, including the Capital Directives.

EC Directive 2000/12 and EEC Directive 1993/6 have been recast by EC Directives 2006/48 and 2006/49 (the “**Capital Requirements Directive**”), respectively, to introduce the new capital requirements framework agreed by the Basel Committee. The new rules on capital requirements reflect the flexible structure and the major components of Basel II, tailored to the specific features of the EU market. The simple and intermediate approaches of Basel II have been available from January 2007 and the most advanced approaches since January 2008.

On 16 December 2002, the EU adopted a directive on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate. This directive aims to address the supervisory issues that arise from the blurring of distinctions between the activities of firms in each of the banking, securities, investment services and insurance sectors. The main objectives of the directive are to:

- ensure that a financial conglomerate has adequate capital;
- introduce methods for calculating a conglomerate’s overall solvency position;
- deal with the issues of intra-group transactions, exposure to risk and the suitability and professionalism of management at financial conglomerate level; and
- prevent situations in which the same capital is used simultaneously as a buffer against risk in two or more entities which are members of the same financial conglomerate (“**double gearing**”) and where a parent issues debt and downstreams the proceeds as equity to its regulated subsidiaries (“**excessive leveraging**”).

The directive was implemented in the Netherlands in the Financial Supervision Act that came into effect on 1 January 2007.

The Capital Requirements Directive has been amended three times in 2009 and once in 2010 to repair shortcomings identified in the original Capital Requirements Directive. The amendments entered into force as of 31 December 2010 and certain further amendments as of 31 December 2011. Further amendments to the Capital Requirements Directive are expected to take place from 1 February 2013 onwards.

In 2010, agreement was reached at EU level on the introduction of a new supervisory structure for the financial sector. The new European architecture consists of the existing national authorities and the newly created European Systemic Risk Board (“**ESRB**”) and the following three European Authorities: European Banking Authority (“**EBA**”), European Insurance and Occupational Pensions Authority (“**EIOPA**”) and European Securities and Markets Authorities (“**ESMA**”). These institutions have been in place since 1 January 2011. Operational day-to-day supervision continues to be with national supervisors.

The European Commission intends to propose a European Crisis Management Framework. In this framework different issues will be addressed, such as prevention tools and early intervention and final resolution mechanisms. Rabobank Group generally supports the Basel Committee and European Commission reform programmes to strengthen the global capital and liquidity regulations and reduce market volatility.

Notwithstanding, a number of proposals may hamper traditional retail-oriented institutions in their intermediary function, and thus reduce their ability to play their important role in the European economy. Further, the new rules still allow national regulators a measure of autonomy. For instance, the liquidity requirements assign relatively extensive powers to national regulators, which may affect the level playing field in the European Internal Market. Hence the biggest challenge for policy makers and supervisors is to take a coordinated and unified approach. It is essential that supervisors and regulators across the globe adopt a more consistent and coordinated approach (for example, while Europe is already introducing Basel III, Basel II is not yet fully applied in the US).

If the regulatory capital requirements, liquidity restrictions or ratios applied to Rabobank Group are increased in the future, any failure of Rabobank Group to maintain such increased regulatory capital ratios could result in administrative actions or sanctions, which may have an adverse effect on Rabobank Group's operating results, financial condition and prospects.

Dutch regulation

General

As of September 2002, banking supervision in the Netherlands has been divided into prudential supervision, carried out by the Dutch Central Bank, and conduct of business supervision, carried out by the AFM.

Pursuant to authority granted under the Financial Supervision Act, the Dutch Central Bank, on behalf of the Dutch Minister of Finance, supervises and regulates the majority of Rabobank Group's activities. The AFM supervises primarily the conduct of business. Set forth below is a brief summary of the principal aspects of the Financial Supervision Act.

Scope of the Financial Supervision Act

A bank is any enterprise whose business it is to receive repayable funds from outside a closed circle and from others than professional market parties, and to grant credits for its own account. Rabobank Nederland and various Rabobank Group entities, including each of the local Rabobanks, are banks and, because they are engaged in the securities business as well as the commercial banking business, each is considered a "universal bank".

Licensing

Under the Financial Supervision Act, a bank established in the Netherlands is required to obtain a licence from the Dutch Central Bank before engaging in any banking activities. The requirements to obtain a licence, among others, are as follows: (i) the day-to-day policy of the bank must be determined by at least two persons; (ii) the bank must have a body of at least three members which has tasks similar to those of a board of supervisory directors; and (iii) the bank must have a minimum own funds (*eigen vermogen*) of €5,000,000. Also, the Dutch Central Bank shall refuse to grant a licence if, among other things, it is of the view that (i) the persons who determine the day-to-day policy of the bank have insufficient expertise to engage in the business of the bank, (ii) the trustworthiness of the persons who determine the policy of the bank is not beyond doubt, or (iii) through a qualified holding in the bank, influence on the policy of such enterprise or institution may be exercised which is contrary to "prudent banking policy" (*gezonde en prudente bedrijfsvoering*). In addition to certain other grounds, the licence may be revoked if a bank fails to comply with the requirements for maintaining it.

Reporting and investigation

A bank is required to file with the Dutch Central Bank its annual financial statements in a form approved by the Dutch Central Bank, which includes a statement of financial position and a statement of income that have been certified by an appropriately qualified auditor. In addition, a bank is required to file quarterly (and some

monthly) statements, on a basis established by the Dutch Central Bank, which also has the option to demand more frequent reports.

Rabobank Nederland and the local Rabobanks must file consolidated quarterly (and some monthly) reports as well as annual reports that provide a true and fair view of their respective financial position and results with the Dutch Central Bank. Rabobank Nederland's independent auditor audits these reports annually.

Under the Dutch Financial Supervision Act, Rabobank Nederland is required to make its annual financial statements and its semi-annual financial statements generally available to the public within four months and two months, respectively, of the end of a period to which the financial information relates. The annual and semi-annual financial statements must be filed with the AFM simultaneously with their publication.

Supervision

The Dutch Central Bank exercises supervision with respect to the solvency and liquidity of banks, supervision of the administrative organisation of banks and structure supervision relating to banks. To this end, the Dutch Central Bank has issued the following general regulations:

Solvency supervision

The regulations of the Dutch Central Bank on solvency supervision require – in broad terms – that a bank maintains own funds in an amount equal to at least 8 per cent. of its risk-weighted assets and operations. These regulations also impose limitations on the aggregate amount of claims (including extensions of credit) a bank may have against one debtor or a group of related debtors. Since the implementation of the Financial Supervision Act, the regulations have become more sophisticated, being derived from the new capital measurement guidelines of Basel II as described under “Basel standards” above and as laid down in EU directives described above under “European Union standards”. For credit risk Rabobank uses the Advanced Internal Ratings Based Approach. For operational risk, Rabobank uses the most refined approach, the Advanced Measurement Approach.

Liquidity supervision

The regulations of the Dutch Central Bank relating to liquidity supervision require that a bank maintains sufficient liquid assets against certain liabilities of the bank. The basic principle of the liquidity regulations is that liquid assets must be held against “net” liabilities of banks (after netting out claims and liabilities in a maturity schedule) so that the liabilities can be met on the due dates or on demand, as the case may be. These regulations impose additional liquidity requirements if the amount of liabilities of a bank with respect to one debtor or group of related debtors exceeds a certain limit.

Structure supervision

The Financial Supervision Act provides that a bank must obtain a declaration of no-objection from the Dutch Central Bank before, among other things, (i) reducing its own funds (*eigen vermogen*) by way of repayment of capital or distribution of reserves or making disbursements from the item comprising the cover for general banking risks as referred to in article 2:424 of the Dutch Civil Code, (ii) acquiring or increasing a qualified holding in a bank, investment firm or insurer with its statutory seat in a state which is not part of the European Economic Area, if the balance sheet total of that bank, investment firm or insurer at the time of the acquisition or increase amounts to more than 1 per cent. of the bank's consolidated balance sheet total, (iii) acquiring or increasing a qualified holding in an enterprise, not being a bank, investment firm or insurer with its statutory seat in the Netherlands or in a state which is part of the European Economic Area or in a state which is not part of the European Economic Area, if the amount paid for the acquisition or increase, together with the amounts paid for a previous acquisition or increase of a holding in such enterprise, amounts to more than 1 per cent. of the consolidated own funds of the bank, (iv) taking over all or a major part of the assets and liabilities of another enterprise or institution, directly or indirectly, if the total amount of the assets or the liabilities to be taken over amounts to more than 1 per cent. of the bank's consolidated balance sheet total, (v) merging with

another enterprise or institution if the balance sheet total thereof amounts to more than 1 per cent. of the bank's consolidated balance sheet total or (vi) proceeding with a financial or corporate reorganisation. For the purposes of the Financial Supervision Act, "qualified holding" is defined to mean the holding, directly or indirectly, of an interest of at least 10 per cent. of the issued share capital or voting rights in an enterprise, or a similar form of control.

In addition, any person is permitted to hold, acquire or increase a qualified holding in a Dutch bank, or to exercise any voting power in connection with such holding, only after such person has obtained a declaration of no objection from the Dutch Central Bank.

Administrative supervision

The Dutch Central Bank also supervises the administrative organisation of the individual banks, their financial accounting system and internal controls. The administrative organisation must be such as to ensure that a bank has at all times a reliable and up-to-date overview of its rights and obligations. Furthermore, the electronic data processing systems, which form the core of the accounting system, must be secured in such a way as to ensure optimum continuity, reliability and security against fraud. As part of the supervision of the administrative organisation, the Dutch Central Bank has also stipulated that this system must be able to prevent conflicts of interests, including the abuse of inside information.

Emergencies

The Financial Supervision Act contains an "emergency regulation" which can be declared in respect of a bank by a Dutch court at the request of the Dutch Central Bank in the interest of the combined creditors of the bank. As of the date of the emergency, only the court-appointed administrators have the authority to exercise the powers of the bodies of the bank. A bank can also be declared in a state of bankruptcy by the court.

Intervention

On 13 June 2012, the Dutch Intervention Act (*Wet bijzondere maatregelen financiële ondernemingen*) entered into force and amended the Financial Supervision Act and the Dutch Bankruptcy Act. Pursuant to the Intervention Act, the Dutch Central Bank can take measures in respect of banks, insurance companies and special purpose vehicles for risk acceptance if it perceives a dangerous development regarding the entity's shareholders' equity, solvency, liquidity or technical provisions and there is a reasonable probability that this development cannot be sufficiently or timely reversed. The possible measures include filing a request for a bank or insurance company to be declared bankrupt, or preparing and effecting the transfer of deposits, other assets/liabilities and/or shares in the capital of the entity to a third party with a view to the timely and efficient liquidation of the entity. The Dutch Central Bank can prepare a "transfer plan" for this purpose. If the Dutch Central Bank decides to notify the relevant entity of its preparation of such a plan, then following such notification the entity must provide information and access, the entity and its corporate bodies must cooperate in the preparation of the transfer plan and the Dutch Central Bank can appoint a special receiver. The intervention will only be made public after approval of the transfer plan by the Amsterdam district court. The entity itself and holders of more than 5% of the shares in the entity will be given the opportunity to express their views regarding the proposed measures in court, provided there are no confidentiality or timing concerns.

In addition, under the Intervention Act the Dutch Minister of Finance may with immediate effect take measures or expropriate assets or securities of a financial enterprise (*financiële onderneming*) or its parent, in each case if it has its corporate seat in the Netherlands, if in the Minister's opinion the stability of the financial system is in serious and immediate danger as a result of the situation in which the enterprise finds itself. In taking these measures, provisions in Dutch statute and the enterprise's articles of association may be set aside. Examples of immediate measures include the suspension of voting rights or of board members. The measures that can be taken by the Minister of Finance may only be used if other measures would not work, would no longer work, or would be insufficient. In addition, to ensure the measures are not taken lightly the Minister of Finance must in advance consult with the Dutch Central Bank and the Dutch Prime Minister must agree with

the decision to intervene. The Minister of Finance must further inform the AFM of his intentions, whereupon the AFM must give an instruction to Euronext Amsterdam N.V. to stop the trading in any securities that are expropriated. In the case of expropriation, the beneficiary of the relevant asset will be compensated for the damage that is directly and necessarily resulting from the expropriation. It is unlikely that such compensation will cover all losses of the relevant beneficiary.

The exercise of acceleration, early termination and other rights (including the right to request collateral and the right to set-off or net), could impair the effectiveness of the supervisory measures introduced by the Intervention Act. Therefore, the Intervention Act provides that such rights, to the extent they are triggered by the preparation or implementation of the measures introduced by the Intervention Act (collectively, “**events**”), cannot be exercised without the prior approval of the Dutch Central Bank. Exceptions are made in respect of rights resulting from the finality directive and financial collateral arrangements. Furthermore, an obligation to give notice of an event or to provide information regarding an event is not enforceable. These provisions apply regardless the governing law and extend to group companies of banks and insurance companies.

Reference is also made to “Risk Factors – Dutch Intervention Act and EU Proposals for Bank Intervention”.

U.S. regulation

Dodd-Frank

In the United States the Dodd-Frank Act contains very significant regulatory reforms, the full effect of which can only be assessed when the implementation rules are finalised. The Dodd-Frank Act provides for new or enhanced regulations regarding, among other things: (i) systemic risk oversight, (ii) bank capital standards, (iii) the liquidation of failing systemically significant financial institutions, (iv) OTC derivatives, (v) the ability of banking entities to engage in proprietary trading activities and invest in hedge funds and private equity (the so-called “Volcker rule”) and (vi) consumer and investor protection. Implementation of the Dodd-Frank Act will require further detailed rulemaking over several years by different U.S. regulators, including the Department of the Treasury, the Federal Reserve, the SEC, the Federal Deposit Insurance Corporation, the Commodity Futures Trading Commission and the newly created Financial Stability Oversight Council, and uncertainty remains about the final details, timing and impact of the rules.

CAPITALISATION OF RABOBANK GROUP

The following table sets forth in summary form Rabobank Group's consolidated own funds and consolidated long-term and short-term debt securities at 31 December 2011 and at 31 December 2010:

	At 31 December	
	2011	2010
	<i>(in millions of euro)</i>	
Capitalisation of Rabobank Group		
Equity of Rabobank Nederland and local Rabobanks	26,500	24,749
<i>Equity instruments issued directly</i>		
Rabobank Member Certificates	6,614	0
Capital Securities	7,645	4,790
	<u>40,759</u>	<u>29,539</u>
<i>Equity instruments issued by subsidiaries</i>		
Rabobank Member Certificates	0	6,583
Capital Securities	167	163
Trust Preferred Securities III to VI	1,399	1,353
	<u>1,566</u>	<u>8,099</u>
Non-controlling interests	2,676	3,119
Total equity	<u>45,001</u>	<u>40,757</u>
Subordinated debt	2,413	2,482
Long-term debt securities in issue	143,134	124,024
Short-term debt securities in issue	70,307	72,795
Total capitalisation	<u>260,855</u>	<u>240,058</u>
Breakdown of reserves and retained earnings		
Revaluation reserves for available-for-sale financial assets	93	48
Other reserves	40	80
Retained earnings	26,367	24,621
Total reserves and retained earnings	<u>26,500</u>	<u>24,749</u>

There has been no material change in the capitalisation of Rabobank Group since 31 December 2011.

TAXATION

General

The following summary describes the principal Austrian, Belgian, Dutch, Luxembourg, Swiss and U.S. tax consequences of the acquisition, holding, redemption and disposal of Notes, which term, for the purpose of this summary, includes Coupons, Receipts and Talons. This summary does not purport to be a comprehensive description of all Austrian, Belgian, Dutch, Luxembourg, Swiss and U.S. tax considerations that may be relevant to a decision to acquire, to hold and to dispose of the Notes. Each prospective Noteholder should consult a professional adviser with respect to the tax consequences of an investment in the Notes. The discussion of certain Austrian, Belgian, Dutch, Luxembourg, Swiss and U.S. taxes set forth below is included for general information purposes only.

This summary is based on the Austrian, Belgian, Dutch, Luxembourg, Swiss, and U.S. tax legislation, published case law, treaties, rules, regulations and similar documentation in force as of the date of this Base Prospectus, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

1. Austria

1.1 Income Tax

Resident holders

Pursuant to Austrian tax law, individuals with a domicile or habitual abode in Austria and corporate entities with their legal seat or effective place of management in Austria are regarded as residents. Regarding individuals the following summary addresses only private investors, unless explicitly stated otherwise.

Interest payments

Individual residents: In the Republic of Austria, interest payments in respect of the Notes made by an Austrian paying agent (*kuponauszahlende Stelle*) or the Issuer directly to residents (within the meaning of the respective Austrian tax law), in accordance with the terms and conditions of the Notes, will generally be subject to withholding tax on investment income (*Kapitalertragsteuer*) at a flat rate of 25 per cent. The withholding tax on investment income levied on interest payments in respect of the Notes to individuals is final (*Endbesteuerung* – “**Final Taxation**”), i.e. such interest payments are not assessed together with other income. Interest payments in respect of the Notes made by a non-domestic paying agent to individuals have to be declared by the investor and are taxed separately from any other income at the special flat rate of 25 per cent. Therefore, such taxation is equivalent to Final Taxation. However, there is an option to have such interest payments in respect of the Notes assessed and taxed together with any other income if such assessment and taxation is more favorable than Final Taxation. In that case, the withholding tax on investment income would be treated as a prepayment on income tax and the withholding tax on investment income is credited against the tax liability or refunded for the respective year.

Corporate residents: If interest payments in respect to the Notes are made to a corporate investor, which holds the Notes as a business asset, the withholding tax is not final, but credited against the tax liability for the respective year. Such corporate investors may generally avoid withholding tax on investment income by way of a particular notification procedure.

Capital gains

Individual residents: The taxation of capital gains realised upon the disposition of the Notes by an individual resident depends on the date the Notes were acquired. The former tax exemption regarding notes held for more than a year was generally abolished. As of 1 April 2012 capital gains realised from the disposition of the Notes acquired after 31 March 2012 by individuals resident in Austria are subject to taxation at a special rate of 25 per cent. If an Austrian paying agent or Austrian custodian is involved in the realisation of such gains, taxation is imposed by way of withholding. If no withholding tax is imposed, the 25 per cent. rate applies in the course of filing a tax return. Special rules apply, in particular, regarding the use of losses and regarding Notes held in a business. The disposition of the Notes, which were acquired before 1 April 2012, by individuals resident in Austria before 1 April 2012 is subject to taxation at the standard progressive income tax rate, with a rate of 50 per cent. in the highest tax bracket. In such a case it does not make a difference whether the Notes were held privately or in a business. The disposition of such Notes after 31 March 2012 triggers Austrian taxation at a special rate of 25 per cent. In both cases taxation is imposed in the course of a tax assessment (filing of a tax return by the individual). As of 1 April 2012 also the withdrawal (*Entnahmen*) and other transfers of Notes from security accounts (including Notes acquired before 1 April 2012) will be treated as disposals (realisation), unless specified exemptions are fulfilled; in particular, if information regarding the Notes is provided to the new depository.

Corporate residents: Capital gains realised upon the disposition of the Notes held by Austrian corporations are subject to corporate income tax at the standard corporate income tax rate of 25 per cent. no matter on what date the Notes were acquired or disposed of. If the capital gains are realised through an Austrian withholding agent, an exemption declaration has to be submitted and certain requirements met in order to have no withholding be imposed on the Notes acquired after 31 March 2012.

Non-resident holders

Pursuant to Austrian tax law, individuals with no domicile or habitual abode in Austria and corporate entities with no legal seat or effective place of management in Austria are regarded as non-residents.

Interest payments

In the Republic of Austria, interest payments in respect of the Notes to non-resident investors, in accordance with the terms and conditions of the Notes, are not subject to Austrian income tax, including any Austrian withholding tax on investment income, as long as interest payments are made by paying agents outside of Austria.

If interest payments are made by an Austrian paying agent or by the Issuer directly, a non-resident of Austria will, however, be obliged to disclose his or her identity and foreign address and supply corroborating evidence thereof to prevent Austrian withholding tax on investment income of presently 25 per cent. If interest payments are made by an Austrian paying agent or by the Issuer directly to an EU-resident the principles of the EU Savings Tax Directive apply (please see below). The holding of the Notes in a clearing system has no influence on the tax treatment of the actual holder.

Non-resident corporate investors may generally avoid withholding tax on investment income received by a business by way of a particular notification procedure.

Capital gains

Holders of the Notes who are non-residents of Austria and who do not hold the Notes through an Austrian business or branch are generally not subject to Austrian tax on capital gains derived from the sale of the Notes. Certain capital gains may be treated as interest income in which case the discussion under interest payments applies.

1.2 Inheritance and Gift Tax

No inheritance or gift tax is currently imposed in Austria. Certain transfers that are made on a gratuitous basis have to be notified to the authorities. A violation of such notifications falls within the scope of the Fiscal Crime Act.

For the implications regarding the EU Savings Directive please see subsection 5 ‘EU Savings Directive’ of this chapter.

2. Belgium

The following summary describes the principal Belgian tax considerations with respect to the holding of Notes. This information is of a general nature and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold or to dispose of the Notes. In some cases, different rules can be applicable. This summary does not describe the tax consequences for a holder of Notes that are redeemable in exchange for, or convertible into shares, of the exercise, settlement or redemption of such Notes. Furthermore, the tax rules can be amended in the future, possibly implemented with retroactive effect, and the interpretation of the tax rules may change.

Each prospective holder of Notes should consult a professional adviser with respect to the tax consequences of an investment in the Notes, taking into account the influence of each regional, local or national law.

2.1 Withholding Tax and Income Tax

Tax rules applicable to natural persons resident in Belgium

Belgian natural persons who are Belgian residents for tax purposes, i.e., who are subject to the Belgian personal income tax (“*Personenbelasting*”/“*Impôt des personnes physiques*”) and who hold the Notes as a private investment, are in Belgium subject to the following tax treatment with respect to the Notes. Other tax rules apply to Belgian resident individuals who do not hold the Notes as a private investment.

In accordance with Belgian tax law, the following amounts are qualified and taxable as “interest”: (i) periodic interest income (ii) amounts paid by the Issuer in excess of the issue price (whether or not on the maturity date) (iii) if the Notes qualify as “fixed income securities” (in the meaning of article 2, §1, 8° Belgian Income Tax Code), in case of a realisation of the Notes between two interest payment dates, the pro rata of accrued interest corresponding to the detention period. “Fixed income securities” are defined as bonds, specific debt certificates issued by banks (“*kasbon*”/“*bon de caisse*”) and other similar securities, including securities where income is capitalised or securities which do not generate a periodic payment of income but are issued with a discount corresponding to the capitalised interest up to the maturity date of the security.

Payments of interest on the Notes made through a paying agent in Belgium will in principle be subject to a 21 per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). Belgian natural persons do not have to declare the interest on the Notes in their personal income tax return, provided that they have elected for a withholding of the 4 per cent. additional tax on investment income (see below) in addition to the 21 per cent. Belgian withholding tax.

If the 4 per cent. additional tax on investment income has not been withheld in addition to the Belgian withholding tax, the Noteholder will be required to declare the interest income in his/her personal income tax return. Moreover, in such case, certain information (including the amount of interest income and the identity of the Noteholder) will be communicated to a central contact point which in

turn will communicate the relevant information to the tax administration on an annual basis (if the total amount of investment income communicated with respect to that holder in the relevant year exceeds the threshold of EUR 20,020 mentioned below) as well as on demand.

Interest income which is declared in the annual personal income tax return will in principle be taxed at a flat rate of 21 per cent., increased with local surcharges (however, the Belgian federal government has approved a draft bill which, if adopted by the legislator, would abolish such local surcharges) and increased, as the case may be, with the 4 per cent. additional tax on investment income (see below).

Belgian resident individuals who receive qualifying investment income (qualifying interest and qualifying dividends) in an amount exceeding EUR 20,020 (amount for income year 2012) on a yearly basis will be subject to an additional tax on investment income of 4 per cent. on the income exceeding EUR 20,020. Certain investment income is not subject to the additional tax on investment income, i.e. dividend income taxed at 25 per cent., liquidation bonuses, the part of interest on regulated savings accounts taxed at 15 per cent., the income from government bonds issued and subscribed between 24 November and 2 December 2011 and income not considered as taxable moveable income (including the exempt part of interest on regulated savings accounts); however, this investment income is in principle first taken into account to determine whether the EUR 20,020 threshold is exceeded, except for liquidation bonuses, the income from the above mentioned government bonds and income not considered as taxable moveable income (including the exempt part of interest on regulated savings accounts). Interest on the Notes will be taken into account to calculate the EUR 20,020 threshold and will be subject to the 4 per cent. additional tax on investment income if and to the extent that the threshold is exceeded.

If the interest is paid outside Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return and will be taxed at a flat rate of 21 per cent. increased, as the case may be, with the 4 per cent. additional tax on investment income (see above).

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gains are realised outside the scope of the management of one's private estate or unless the capital gains qualify as interest (as defined above). Capital losses are in principle not tax deductible.

Belgian resident companies

Corporations Noteholders who are Belgian residents for tax purposes, i.e. who are subject to Belgian Corporate Income Tax ("Vennootschapsbelasting"/"Impôt des sociétés") are in Belgium subject to the following tax treatment with respect to the Notes.

Interest derived by Belgian corporate investors on the Notes and capital gains realised on the Notes will be subject to Belgian corporate income tax of 33.99 per cent. Capital losses are in principle deductible.

Interest payments on the Notes made through a paying agent in Belgium can under certain circumstances be exempt from withholding tax, provided a special certificate is delivered. The Belgian withholding tax that has been levied is creditable in accordance with the applicable legal provisions.

Belgian legal entities

Legal entities Noteholders who are Belgian residents for tax purposes, i.e. who are subject to Belgian tax on legal entities ("Rechtspersonenbelasting"/"impôt des personnes morales") are in Belgium subject to the following tax treatment with respect to the Notes.

In accordance with Belgian tax law, the following amounts are qualified and taxable as “interest”: (i) periodic interest income (ii) amounts paid by the Issuer in excess of the issue price (whether or not on the maturity date) (iii) if the Notes qualify as “fixed income securities” (in the meaning of article 2, §1, 8° Belgian Income Tax Code), in case of a realisation of the Notes between two interest payment dates, the pro rata of accrued interest corresponding to the detention period. “Fixed income securities” are defined as bonds, specific debt certificates issued by banks (*‘kasbon’ / ‘bon de caisse’*) and other similar securities, including securities where income is capitalised or securities which do not generate a periodic payment of income but are issued with a discount corresponding to the capitalised interest up to the maturity date of the security.

Payments of interest on the Notes made through a paying agent in Belgium will in principle be subject to a 21 per cent. withholding tax in Belgium and no further tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent and without the deduction of Belgian withholding tax, the legal entity itself is required to declare and pay the 21 per cent. withholding tax to the Belgian tax authorities.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gain qualifies as interest (as defined above). Capital losses are in principle not tax deductible.

Organization for Financing Pensions

Belgian pension fund entities that have the form of an Organization for Financing Pensions (OFP) are subject to Belgian Corporate Income Tax (*“Vennootschapsbelasting”/“Impôt des sociétés”*). OFPs are in Belgium subject to the following tax treatment with respect to the Notes.

Interest derived by OFP Noteholders on the Notes and capital gains realised on the Notes will be exempt from Belgian Corporate Income Tax.

The Belgian withholding tax that has been levied is creditable in accordance with the applicable legal provisions.

Belgian non-residents

The interest income on the Notes paid through a professional intermediary in Belgium will, in principle, be subject to a 21 per cent. withholding tax, unless the Noteholder is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit. If the income is not collected through a financial institution or other intermediary established in Belgium, no Belgian withholding tax is due.

Non-resident investors can also obtain an exemption of Belgian withholding tax on interest from the Notes if they are the owners or usufructors of the Notes and they deliver an affidavit confirming that they have not allocated the Notes to business activities in Belgium and that they are non-residents, provided that (i) the interest is paid through a Belgian credit institution, stock market company or clearing or settlement institution and that (ii) the Notes are not used by the Issuer for carrying on a business in Belgium.

The non-residents who use the Notes to exercise a professional activity in Belgium through a permanent establishment are subject to the same tax rules as the Belgian resident companies (see 2.2 above). Non-resident Noteholders who do not allocate the Notes to a professional activity in Belgium are not subject to Belgian income tax, save, as the case may be, in the form of withholding tax.

2.2 European Directive on taxation of savings income in the form of interest payments

The EU has adopted a directive (European Council Directive 2003/48/EC) regarding the taxation of savings income (hereinafter “Savings Directive”). The Savings Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual or to certain other persons resident in another Member State (hereinafter “**Disclosure of Information Method**”), except that Austria and Luxembourg may instead impose a withholding system (hereinafter “**Source Tax**”) for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld), unless during such period they elect otherwise. A number of third countries and territories have adopted similar measures to the Savings Directive.

Individuals not resident in Belgium

Interest paid or collected through Belgium on the Notes and falling under the scope of application of the Savings Directive will be subject to the Disclosure of Information Method.

Individuals resident in Belgium

An individual resident in Belgium will be subject to the provisions of the Savings Directive, if he receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EU Member State, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, Curaçao, Bonaire, Saba, Sint Maarten, Sint Eustatius (formerly the Netherlands Antilles), Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands or the Turks and Caicos Islands.

If the interest received by an individual resident in Belgium has been subject to a Source Tax, such Source Tax does not liberate the Belgian individual from declaring the interest income in the personal income tax declaration. The Source Tax will be credited against the personal income tax. If the Source Tax withheld exceeds the personal income tax due, the excessive amount will be reimbursed, provided it reaches a minimum of Euro 2.5.

2.3 Tax on stock exchange transactions and tax on repurchase transactions

A *taxe sur les opérations de bourse* (tax on stock exchange transactions) will be levied on the purchase and sale in Belgium of the Notes on a secondary market through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.09 per cent. with a maximum amount of Euro 650 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

A *taxe sur les reports* (tax on repurchase transactions) at the rate of 0.085 per cent. will be due from each party to any such transaction entered into or settled in Belgium in which a stockbroker acts for either party (with a maximum amount of Euro 650 per transaction and per party).

However none of the taxes referred to above will be payable by exempt persons acting for their own account including investors who are not Belgian residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors as defined in Article 126.1 2° of the Code des droits et taxes divers (Code of various duties and taxes) for the *taxe sur les opérations de bourse* and Article 139, second paragraph, of the same code for the *taxe sur les reports*.

2.4 Tax on the physical delivery of bearer securities

A tax of 0.6% is levied upon the physical delivery of bearer securities pursuant to their acquisition on the secondary market through a professional intermediary. The same tax applies to the conversion of registered securities into bearer securities and to the physical delivery of bearer securities pursuant to a withdrawal of these securities from open custody.

The tax on the delivery of bearer securities is due either on the sums payable by the purchaser, or on the sales value of the securities as estimated by the custodian in the case of a withdrawal from open custody or by the person asking for the conversion of the securities in case of conversion of a registered securities in bearer securities. The tax is payable by the issuer, the professional intermediary or the custodian.

The physical delivery of bearer securities to recognised Belgian professional intermediaries (such as credit institutions), acting for their own account, is exempt from the above tax.

3. Luxembourg

The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

3.1 Withholding Tax – Non-resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the “**Laws**”) implementing the Savings Directive and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union (the “**Territories**”), there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Laws, payments of interest or other similar income made or ascribed by a paying agent established in Luxembourg (within the meaning of the Savings Directive) to (or, under certain circumstances, for the immediate benefit of) an individual beneficial owner in another EU Member State or in one of the Territories will be subject to a withholding tax, unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his or her country of residence or establishment or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his or her country of residence in the required format to the relevant paying agent. The same treatment will apply to payments of interest and other similar income made to certain “residual entities” within the meaning of Article 4.2 of the Savings Directive established in an EU Member State or in one of the Territories (i.e. entities which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for business taxation and that are not and have not opted to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC, as replaced by the Council Directive 2009/65/EC, or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands.

Where withholding tax is applied, it will be levied at a rate of 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain

agreements relating to information exchange with certain third countries. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

Investors should note that the European Commission adopted a new draft Savings Directive, which, among other changes, seeks to extend the application of the Savings Directive to (i) payments channelled through certain intermediate structures (whether or not established in an EU Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to savings income. Further developments in this respect should be monitored on a continuing basis, since no certainty exists over whether and when the proposed amendments to the Savings Directive will be implemented. Investors who are in any doubt as to their position should consult their professional advisors.

3.2 Withholding Tax and Self-applied Tax – Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005 as amended by the law of 17 July 2008 (the “**Law**”), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

In accordance with the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg (defined in the same way as in the Savings Directive) to or for the immediate benefit of an individual beneficial owner who is a resident of Luxembourg or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC, as replaced by the Council Directive 2009/65/EC, or for the exchange of information regime) will be subject to a withholding tax of 10 per cent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

Pursuant to the Law, Luxembourg resident individuals, acting in the course of the management of their private wealth, can opt to self-declare and pay a 10 per cent. tax on interest payments made after 31 December 2007 by paying agents (defined in the same way as in the Savings Directive) located in an EU Member State other than Luxembourg, in a member state of the European Economic Area other than an EU Member State or in a State or territory which has concluded an international agreement directly related to the Savings Directive.

The 10 per cent. withholding tax or the 10 per cent. self-declared tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his or her private wealth.

4. The Netherlands

4.1 General

For the purposes of this section, “the Netherlands” shall mean that part of the Kingdom of the Netherlands that is in Europe.

This summary of the principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of the Notes does, regardless of whether or not a holder of Notes is, or is treated as being, a resident of the Netherlands, not address the Netherlands tax consequences for such a holder:

- (i) having a substantial interest (*aanmerkelijk belang*) in the Issuer (such a substantial interest is generally present if an equity stake of at least 5 per cent., or a right to acquire such a stake, is held, in each case by reference to the Issuer’s total issued share capital, or the issued capital of a certain class of shares);

- (ii) who is a private individual and may be taxed in box 1 for the purposes of Netherlands income tax (*inkomstenbelasting*) as an entrepreneur (*ondernemer*) having an enterprise (*onderneming*) to which the Notes are attributable, or who may otherwise be taxed in box 1 with respect to benefits derived from the Notes;
- (iii) which is a corporate entity and a taxpayer for the purposes of Netherlands corporate income tax (*vennootschapsbelasting*), having a participation (*deelneming*) in the Issuer (such a participation is generally present in the case of an interest of at least 5 per cent. of the Issuer's nominal paid-in capital);
- (iv) which is a corporate entity and an exempt investment institution (*vrijgestelde beleggingsinstelling*) or investment institution (*beleggingsinstelling*) for the purposes of Netherlands corporate income tax, a pension fund, or otherwise not a taxpayer or exempt for tax purposes;
- (v) which is not considered the beneficial owner (*uiteindelijk gerechtigde*) of the Notes and/or the benefits derived from the Notes.

4.2 Withholding tax

All payments made by the Issuer under the Notes may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein provided that the Notes do not in fact function as equity of the Issuer within the meaning of art. 10, paragraph 1, letter d, Netherlands Corporate Income Tax Act (*Wet op de vennootschapsbelasting 1969*).

4.3 Income tax

Resident holders

A holder who is a private individual and a resident, or treated as being a resident of the Netherlands for the purposes of Netherlands income tax, must record Notes as assets that are held in box 3. Taxable income with regard to the Notes is then determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return is fixed at a rate of 4 per cent. of the holder's yield basis (*rendementsgrondslag*) at the beginning of the calendar year, insofar as this yield basis exceeds a certain threshold (*heffingvrij vermogen*). Such yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Notes, less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the Notes will be included as an asset in the holder's yield basis. The deemed return on income from savings and investments is taxed at a rate of 30 per cent.

Non-resident holders

A holder who is a private individual and neither a resident, nor treated as being a resident of the Netherlands for the purposes of Netherlands income tax, will not be subject to such tax in respect of benefits derived from the Notes.

4.4 Corporate income tax

Resident holders

A holder which is a corporate entity and for the purposes of Netherlands corporate income tax, a resident, or treated as being a resident, of the Netherlands, is taxed in respect of benefits derived from the Notes at rates of up to 25 per cent.

Non-resident holders

A holder which is a corporate entity and for the purposes of Netherlands corporate income tax, is neither a resident, nor treated as being a resident, of the Netherlands, will not be subject to corporate income tax, unless such holder has an interest in an enterprise which, in whole or in part, is effectively managed in the Netherlands, or if it carries on an enterprise through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise the Notes are attributable. If a non-resident holder is subject to Netherlands corporate income tax, it will be taxed in respect of benefits derived from the Notes at rates of up to 25 per cent.

4.5 Gift and inheritance tax

Resident holders

Netherlands gift tax or inheritance tax (*schenk- of erfbelasting*) will arise in respect of an acquisition (or deemed acquisition) of Notes by way of a gift by, or on the death of, a holder of Notes who is a resident, or treated as being a resident, of the Netherlands for the purposes of Netherlands gift and inheritance tax.

Non-resident holders

Generally, no Netherlands gift tax or inheritance tax will arise in respect of an acquisition (or deemed acquisition) of Notes by way of a gift by, or on the death of, a holder of Notes who is neither a resident, nor treated as being a resident, of the Netherlands for the purposes of Netherlands gift and inheritance tax.

4.6 Other taxes

No Netherlands turnover tax (*omzetbelasting*) will arise in respect of any payment in consideration for the issue of Notes, with respect to any cash settlement of Notes or with respect to the delivery or transfer of Notes. Furthermore, no Netherlands registration tax, capital tax, transfer tax or stamp duty (nor any other similar tax or duty) will be payable in connection with the issue, acquisition, holding, redemption or disposal of Notes.

5. Switzerland

The Swiss Federal Tax Administration issued on 7 February 2007 Circular Letter No. 15 concerning bonds and derivative financial instruments as subjects of direct federal taxes, withholding tax and stamp duties. In the context of the above-mentioned circular, the Notes count, with more probability, as combined products for the purposes of tax. Without the written confirmation of the Swiss Federal Tax Administration, however, such an assessment is not binding. Insofar as the Notes are to be qualified as above, the following tax implications arise in Switzerland:

5.1 Stamp duties

Notes with a validity period of up to one year do not count as taxable instruments for the purposes of the Swiss Stamp Duties Act. The issue and trading of Notes of less than one year are therefore neither subject to the Swiss issue stamp tax nor turnover tax. Turnover tax is only payable, if performance leads to the delivery (transfer of ownership) of taxable instruments.

Insofar as Notes have a validity period of more than one year, the trading of such Notes is in principle subject to turnover tax. As the Issuer is a non-Swiss company, also Notes with a validity period of more than one year are not subject to issue stamp tax.

5.2 Withholding taxes

As the Notes are issued by a non-Swiss issuer, no Swiss withholding tax is levied on proceeds from the Notes.

5.3 Direct federal taxes

With regard to these Notes, for the purposes of tax, it is necessary to distinguish between an investment and an option, insofar as these are structured transparently in the context of the above-mentioned Circular Letter No. 15. Interest yield on the bond part is relevant for the purposes of income tax. If the payment of interest does not occur periodically, but rather in the form of a one-off payment or in the form of a predominantly one-off interest payment (Interest Unique Predominant, IUP), in the case of a transparently structured Note, the difference between the sale/redemption price and the issue/purchase price of the bond part is subject to income tax (Modified Difference Taxation). If the payment of interest occurs periodically and the Notes are not classified as those that are subject to predominantly one-off interest payment, the periodic interest payments represent a taxable yield on assets upon the date upon which they become due.

Profit or loss arising from the option part are (in the case of transparently structured Notes) classified as tax-free private capital gains or non-deductible capital loss, for natural persons resident in Switzerland holding the Notes as private assets. Otherwise, they are subject to taxation.

If the Notes contain no guaranteed payments by the Issuer and have a validity period of 12 months or less, the profit and loss achieved are tax-free in accordance with Part 5 of Annex III to the Circular Letter No. 15 mentioned.

The following generally applies:

The taxation of income from the Notes is dependent on the specific nature of the Notes and the individual tax situation of the relevant prospective Noteholder. The Issuer takes no responsibility for the deduction of tax and/or the deduction of tax at source.

The mentioned taxation is valid at the time of publication of this Base Prospectus. Tax legislation and the practice of the Swiss Federal Tax Administration may change at any time.

It is therefore strongly recommended that prospective Noteholders seek individual advice from their professional tax advisors on taxation.

6. United States Federal Income Taxation

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS BASE PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by a U.S. Holder (as defined below), except Part 6.6 and 6.7 which apply to all holders. This summary does not address the material U.S. federal income tax consequences of every type of Note which may be issued under the Programme, and the relevant Final Terms may contain additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Note, as appropriate. This summary deals only with

purchasers of Notes that are U.S. Holders and that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors and does not address state, local, foreign or other tax laws. In particular, this summary does not address tax considerations applicable to investors that own (directly or indirectly) 10 per cent. or more of the voting stock of the Issuer, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. dollar).

As used herein, the term “**U.S. Holder**” means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in a partnership that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their tax adviser concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of Notes by the partnership.

This summary assumes that the Issuer is not a passive foreign investment company (a “**PFIC**”) for U.S. federal income tax purposes, which the Issuer believes to be the case. The Issuer believes that it currently meets certain requirements regarding its licensing and activities which allow a bank to treat income from its banking business as non-passive income for purposes of determining its PFIC status. However, the Issuer’s possible status as a PFIC must be determined annually and therefore may be subject to change. If the Issuer were to be a PFIC in any year, materially adverse consequences could result for U.S. Holders.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended (the “**Code**”), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and the Netherlands (the “**Treaty**”), all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

Bearer Notes are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Code.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE NOTES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFITS OF THE TREATY, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

6.1 U.S. Federal Income Tax Characterisation of the Notes

The characterisation of a Series or Tranche of Notes may be uncertain and will depend on the terms of those Notes. The determination of whether an obligation represents debt, equity, or some other instrument or interest is based on all the relevant facts and circumstances. There may be no statutory, judicial or administrative authority directly addressing the characterisation of some of the types of Notes that are anticipated to be issued under the Programme or of instruments similar to these Notes.

Depending on the terms of a particular Series or Tranche of Notes, the Notes may not be characterised as debt for U.S. federal income tax purposes despite the form of the Notes as debt instruments. For example, Notes of a Series or Tranche may be more properly characterised as notional principal contracts, collateralised put options, prepaid forward contracts or some other type of financial instrument. Alternatively, the Notes may be characterised as equity or as representing an undivided proportionate ownership interest in the assets of, and share of the liabilities of, the Issuer. Additional alternative characterisations may also be possible. Further possible characterisations, if applicable, may be discussed in the relevant Final Terms.

No rulings will be sought from the U.S. Internal Revenue Service (“**IRS**”) regarding the characterisation of any of the Notes issued hereunder for U.S. federal income tax purposes. Each holder should consult its own tax adviser about the proper characterisation of the Notes for U.S. federal income tax purposes and consequences to the holder of acquiring, owning or disposing of the Notes.

6.2 U.S. Federal Income Tax Treatment of Notes Treated as Debt

The following summary applies to Notes that are properly treated as debt for U.S. federal income tax purposes.

Payments of Interest

Interest on a Note, whether payable in U.S. dollars or a currency, composite currency or basket of currencies other than U.S. dollars (a “foreign currency”), other than interest on a “Discount Note” that is not “qualified stated interest” (each as defined below under “— Original Issue Discount — General”), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder’s method of accounting for tax purposes. Interest paid by the Issuer on the Notes and OID, if any, accrued with respect to the Notes (as described below under “— Original Issue Discount”) generally will constitute income from sources outside the United States. Prospective purchasers should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Notes.

Original Issue Discount

General

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with original issue discount (“**OID**”).

A Note, other than a Note with a term of one year or less (a “**Short-Term Note**”), will be treated as issued with OID (a “**Discount Note**”) if the excess of the Note’s “stated redemption price at maturity” over its issue price is equal to or more than a *de minimis* amount (0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an “**instalment obligation**”) will be treated as a Discount Note if the excess of the Note’s stated redemption price at maturity over its issue price is equal to or greater than 0.25 per cent. of the Note’s stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note’s weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from

the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest". A qualified stated interest payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under "— Variable Interest Rate Notes"), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note.

U.S. Holders of Discount Notes must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and generally will have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note. The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The "adjusted issue price" of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

Acquisition Premium

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being "**acquisition premium**") and that does not make the election described below under "— Election to Treat All Interest as Original Issue Discount" is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder's adjusted basis in the Note immediately after its purchase over the Note's adjusted issue price, and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note's adjusted issue price.

Short-Term Notes

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing

to include OID in income currently, any gain realised on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realised.

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election will apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

Fungible Issue

The Issuer may, without the consent of the holders of outstanding Notes, issue additional Notes with identical terms. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, in some cases may be treated as a separate series for U.S. federal income tax purposes. In such a case, the additional Notes may be considered to have been issued with OID even if the original Notes had no OID, or the additional Notes may have a greater amount of OID than the original Notes. These differences may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes.

Market Discount

A Note, other than a Short-Term Note, generally will be treated as purchased at a market discount (a "**Market Discount Note**") if the Note's stated redemption price at maturity or, in the case of a Discount Note, the Note's "revised issue price", exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25 per cent. of the Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note's maturity (or, in the case of a Note that is an instalment obligation, the Note's weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes "*de minimis* market discount". For this purpose, the "revised issue price" of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments.

Under current law, any gain recognised on the maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election will apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the IRS. A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includible in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Under current law, market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

Variable Interest Rate Notes

Notes that provide for interest at variable rates (“**Variable Interest Rate Notes**”) generally will bear interest at a “qualified floating rate” and thus will be treated as “variable rate debt instruments” under Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a “variable rate debt instrument” if (a) its issue price does not exceed the total non-contingent principal payments due under the Variable Interest Rate Note by more than a specified *de minimis* amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate, and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A “**qualified floating rate**” is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g. two or more qualified floating rates with values within 25 basis points of each other as determined on the Variable Interest Rate Note’s issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e. a cap) or a minimum numerical limitation (i.e. a floor) may, under certain circumstances, fail to be treated as a qualified floating rate.

An “**objective rate**” is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g. one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the Issuer (or a related party) or that is unique to the circumstances of the Issuer (or a related party), such as dividends, profits or the value of the Issuer’s stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note’s term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note’s term. A “**qualified inverse floating rate**” is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note’s issue date is intended to approximate the fixed rate (e.g. the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a “current value” of that rate. A “**current value**” of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a “variable rate debt instrument”, then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a “variable rate debt instrument” will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a “true” discount (i.e. at a price below the Note’s stated principal amount) in excess of a specified *de minimis* amount. OID on a Variable Interest Rate Note arising from “true” discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a “variable rate debt instrument” will be converted into an “equivalent” fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an “equivalent” fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note’s issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a “variable rate debt instrument” and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note’s issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an “equivalent” fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the “equivalent” fixed rate debt instrument by applying the general OID rules to the “equivalent” fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the “equivalent” fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the “equivalent” fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a “variable rate debt instrument”, then the Variable Interest Rate Note will be treated as a contingent payment debt obligation. See “— Contingent Payment Debt Instruments” below for a discussion of the U.S. federal income tax treatment of such Notes.

Notes Purchased at a Premium

A U.S. Holder that purchases a Note for an amount in excess of its principal amount or, for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as “amortisable bond premium”, in which case the amount required to be included in the U.S. Holder’s income each year with respect to interest on the Note will be reduced by the amount of amortisable bond premium allocable (based on the Note’s yield to maturity) to that year. Any election to amortise bond premium will apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also “— Election to Treat All Interest as Original Issue Discount”.

Election to Treat All Interest as Original Issue Discount

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under “— General”, with certain modifications. For purposes of this election, interest includes stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortisable bond premium (described above under “— Notes Purchased at a Premium”) or acquisition premium. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed above under “— Market Discount” to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

Contingent Payment Debt Instruments

Certain Series or Tranches of Notes may be treated as “contingent payment debt instruments” for U.S. federal income tax purposes (“**Contingent Notes**”). Under applicable U.S. Treasury regulations, interest on Contingent Notes will be treated as OID and must be accrued on a constant-yield basis based on a yield to maturity that reflects the rate at which the Issuer would issue a comparable fixed-rate non-exchangeable instrument (the “**comparable yield**”), in accordance with a projected payment schedule. This projected payment schedule must include each non-contingent payment on the Contingent Notes and an estimated amount for each contingent payment, and must produce the comparable yield.

The Issuer is required to provide to holders, solely for U.S. federal income tax purposes, a schedule of the projected amounts of payments on Contingent Notes. This schedule must produce the comparable yield. The comparable yield and projected payment schedule will be available from the Issuer by submitting a written request for such information to Rabobank International, Croeselaan 18, 3521 CB Utrecht, The Netherlands.

THE COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE WILL NOT BE DETERMINED FOR ANY PURPOSE OTHER THAN FOR THE DETERMINATION OF INTEREST ACCRUALS AND ADJUSTMENTS THEREOF IN RESPECT OF CONTINGENT NOTES FOR UNITED STATES FEDERAL INCOME TAX PURPOSES AND WILL NOT CONSTITUTE A PROJECTION OR REPRESENTATION REGARDING THE ACTUAL AMOUNTS PAYABLE TO THE HOLDERS OF THE NOTES.

The use of the comparable yield and the calculation of the projected payment schedule will be based upon a number of assumptions and estimates and will not be a prediction, representation or guarantee of the actual amounts of interest that may be paid to a U.S. Holder or the actual yield of the Contingent Notes. A U.S. Holder will generally be bound by the comparable yield and the projected payment schedule determined by the Issuer, unless the U.S. Holder determines its own comparable yield and projected payment schedule and explicitly discloses such schedule to the IRS, and explains to the IRS the reason for preparing its own schedule. The Issuer's determination, however, is not binding on the IRS, and it is possible that the IRS could conclude that some other comparable yield or projected payment schedule should be used instead.

A U.S. Holder of a Contingent Note will generally be required to include OID in income pursuant to the rules discussed in the third paragraph under “— Original Issue Discount – General” above, applied to the projected payment schedule. The “adjusted issue price” of a Contingent Note at the beginning of any accrual period is the issue price of the Note increased by the amount of accrued OID for each prior accrual period and decreased by the projected amount of any payments on the Note. No additional income will be recognised upon the receipt of payments of stated interest in amounts equal to the annual payments included in the projected payment schedule described above. Any differences between actual payments received by the U.S. Holder on the Notes in a taxable year and the projected amount of those payments will be accounted for as additional interest (in the case of a positive adjustment) or as an offset to interest income in respect of the Note (in the case of a negative adjustment), for the taxable year in which the actual payment is made. If the negative adjustment for any taxable year exceeds the amount of OID on the Contingent Note for that year, the excess will be treated as an ordinary loss, but only to the extent the U.S. Holder's total OID inclusions on the Contingent Note exceed the total amount of any ordinary loss in respect of the Contingent Note claimed by the U.S. Holder under this rule in prior taxable years. Any negative adjustment that is not allowed as an ordinary loss for the taxable year is carried forward to the next taxable year and is taken into account in determining whether the U.S. Holder has a net positive or negative adjustment for that year. However, any negative adjustment that is carried forward to a taxable year in which the Contingent Note is sold, exchanged or retired, to the extent not applied to OID accrued for such year, reduces the U.S. Holder's amount realised on the sale, exchange or retirement.

Substitution of Issuer

The terms of the Notes provide that, in certain circumstances, the obligations of the Issuer under the Notes may be assumed by another entity. Any such assumption might be treated for U.S. federal income tax purposes as a deemed disposition of Notes by a U.S. Holder in exchange for new notes issued by the new obligor. As a result of this deemed disposition, a U.S. Holder could be required to recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the issue price of the new notes (as determined for U.S. federal income tax purposes) and the U.S. Holder's tax basis in the Notes. U.S. Holders should consult their tax advisers concerning the U.S. federal income tax consequences to them of a change in obligor with respect to the Notes.

Purchase, Sale and Retirement of Notes

Notes other than Contingent Notes

A U.S. Holder's tax basis in a Note will generally be its cost, increased by the amount of any OID or market discount included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to *de minimis* OID and *de minimis* market discount included in the U.S. Holder's income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified stated interest payments and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note.

A U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and the tax basis of the Note. The amount realised does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. Except to the extent described above under “— Original Issue Discount — Market Discount” or “— Original Issue Discount — Short Term Notes” or attributable to changes in exchange rates (as discussed below), gain or loss recognised on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder’s holding period in the Notes exceeds one year. Gain or loss realised by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source.

Contingent Notes

Gain from the sale or retirement of a Contingent Note will be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the U.S. Holder’s total interest inclusions to the date of sale or retirement exceed the total net negative adjustments that the U.S. Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss realised by a U.S. Holder on the sale or retirement of a Contingent Note will generally be foreign source.

A U.S. Holder’s tax basis in a Contingent Note will generally be equal to its cost, increased by the amount of interest previously accrued with respect to the Note (determined without regard to any positive or negative adjustments reflecting the difference between actual payments and projected payments), increased or decreased by the amount of any positive or negative adjustment that the U.S. Holder is required to make to account for the difference between the U.S. Holder’s purchase price for the Note and the adjusted issue price of the Note at the time of the purchase, and decreased by the amount of any projected payments scheduled to be made on the Note to the U.S. Holder through such date (without regard to the actual amount paid).

Foreign Currency Notes

Interest

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognised with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign

currency, the U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

OID

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale or disposition of the Note), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Market Discount

Market discount on a Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the disposition or maturity of the Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

Bond Premium

Bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income in units of the foreign currency. On the date bond premium offsets interest income, a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the amount offset multiplied by the difference between the spot rate in effect on the date of the offset, and the spot rate in effect on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognise a market loss when the Note matures.

Foreign Currency Contingent Notes

Special rules apply to determine the accrual of OID, and the amount, timing, source and character of any gain or loss on a Contingent Note that is denominated in, or determined by reference to, a foreign currency (a "**Foreign Currency Contingent Note**"). The rules applicable to Foreign Currency Contingent Notes are complex, and U.S. Holders are urged to consult their tax advisers concerning the application of these rules.

Under these rules, a U.S. Holder of a Foreign Currency Contingent Note will generally be required to accrue OID in the foreign currency in which the Foreign Currency Contingent Note is denominated (i) at a yield at which the Issuer would issue a fixed rate debt instrument denominated in the same foreign currency with terms and conditions similar to those of the Foreign Currency Contingent Note, and (ii) in accordance with a projected payment schedule determined by the Issuer, under rules similar to those described above under "— Contingent Payment Debt Instruments". The amount of OID on a

Foreign Currency Contingent Note that accrues in any accrual period will be the product of the comparable yield of the Foreign Currency Contingent Note (adjusted to reflect the length of the accrual period) and the adjusted issue price of the Foreign Currency Contingent Note. The adjusted issue price of a Foreign Currency Contingent Note will generally be determined under the rules described above, and will be denominated in the foreign currency of the Foreign Currency Contingent Note.

OID on a Foreign Currency Contingent Note will be translated into U.S. dollars under translation rules similar to those described above under “— Interest”. Any positive adjustment (i.e. the excess of actual payments over projected payments) in respect of a Foreign Currency Contingent Note for a taxable year will be translated into U.S. dollars at the spot rate on the last day of the taxable year in which the adjustment is taken into account, or, if earlier, the date on which the Foreign Currency Contingent Note is disposed of. The amount of any negative adjustment on a Foreign Currency Contingent Note (i.e. the excess of projected payments over actual payments) that is offset against accrued but unpaid OID will be translated into U.S. dollars at the same rate at which the OID was accrued. To the extent a net negative adjustment exceeds the amount of accrued but unpaid OID, the negative adjustment will be treated as offsetting OID that has accrued and been paid on the Foreign Currency Contingent Note, and will be translated into U.S. dollars at the spot rate on the date the Foreign Currency Contingent Note was issued. Any net negative adjustment carry forward will be carried forward in the relevant foreign currency.

Sale or Retirement

Notes other than Foreign Currency Contingent Notes

As discussed above under “— Purchase, Sale and Retirement of Notes”, a U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and its tax basis in the Note. A U.S. Holder’s tax basis in a Note that is denominated in a foreign currency will be determined by reference to the U.S. dollar cost of the Note. The U.S. dollar cost of a Note purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of Notes traded on an established securities market, within the meaning of the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects).

The amount realised on a sale or retirement for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or retirement, or the settlement date for the sale, in the case of Notes traded on an established securities market, within the meaning of the applicable Treasury Regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder’s purchase price for the Note (or, if less, the principal amount of the Note) (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss will be realised only to the extent of total gain or loss realised on the sale or retirement (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest).

Foreign Currency Contingent Notes

Upon a sale, exchange or retirement of a Foreign Currency Contingent Note, a U.S. Holder will generally recognise taxable gain or loss equal to the difference between the amount realised on the

sale, exchange or retirement and the U.S. Holder's tax basis in the Foreign Currency Contingent Note, both translated into U.S. dollars as described below. A U.S. Holder's tax basis in a Foreign Currency Contingent Note will equal (i) the cost thereof (translated into U.S. dollars at the spot rate on the issue date), (ii) increased by the amount of OID previously accrued on the Foreign Currency Contingent Note (disregarding any positive or negative adjustments and translated into U.S. dollars using the exchange rate applicable to such OID) and (iii) decreased by the projected amount of all prior payments in respect of the Foreign Currency Contingent Note. The U.S. dollar amount of the projected payments described in clause (iii) of the preceding sentence is determined by (x) first allocating the payments to the most recently accrued OID to which prior amounts have not already been allocated and translating those amounts into U.S. dollars at the rate at which the OID was accrued and (y) then allocating any remaining amount to principal and translating such amount into U.S. dollars at the spot rate on the date the Foreign Currency Contingent Note was acquired by the U.S. Holder. For this purpose, any accrued OID reduced by a negative adjustment carry forward will be treated as principal.

The amount realised by a U.S. Holder upon the sale, exchange or retirement of a Foreign Currency Contingent Note will equal the amount of cash and the fair market value (determined in foreign currency) of any property received. If a U.S. Holder holds a Foreign Currency Contingent Note until its scheduled maturity, the U.S. dollar equivalent of the amount realised will be determined by separating such amount realised into principal and one or more OID components, based on the principal and OID composing the U.S. Holder's basis, with the amount realised allocated first to OID (and allocated to the most recently accrued amounts first) and any remaining amounts allocated to principal. The U.S. dollar equivalent of the amount realised upon a sale, exchange or unscheduled retirement of a Foreign Currency Contingent Note will be determined in a similar manner, but will first be allocated to principal and then any accrued OID (and will be allocated to the earliest accrued amounts first). Each component of the amount realised will be translated into U.S. dollars using the exchange rate used with respect to the corresponding principal or accrued OID. The amount of any gain realised upon a sale, exchange or unscheduled retirement of a Foreign Currency Contingent Note will be equal to the excess of the amount realised over the holder's tax basis, both expressed in foreign currency, and will be translated into U.S. dollars using the spot rate on the payment date. Gain from the sale or retirement of a Foreign Currency Contingent Note will generally be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the U.S. Holder's total OID inclusions to the date of sale or retirement exceed the total net negative adjustments that the U.S. Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss realised by a U.S. Holder on the sale or retirement of a Foreign Currency Contingent Note will generally be foreign source. Prospective purchasers should consult their tax advisers as to the foreign tax credit implications of the sale or retirement of Foreign Currency Contingent Notes.

A U.S. Holder will also recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the receipt of foreign currency in respect of a Foreign Currency Contingent Note if the exchange rate in effect on the date the payment is received differs from the rate applicable to the principal or accrued OID to which such payment relates.

Disposition of Foreign Currency

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. dollar value at the time the foreign currency is received. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

6.3 U.S. Federal Income Tax Treatment of Certain Notes Not Treated as Debt

The following summary may apply to certain Notes that are not treated as debt for U.S. federal income tax purposes. This summary does not discuss all types of Notes that may not be treated as debt for U.S. federal income tax purposes. The relevant Final Terms will specify if the discussion below will apply to a particular Series or Tranche of Notes. The U.S. federal income tax consequences of owning Notes that are not treated as debt for U.S. federal income tax purposes and are not described below will be discussed, as appropriate, in the relevant Final Terms.

Equity Notes

Certain Notes may be treated as equity in the Issuer for U.S. federal income tax purposes. The following discussion will apply to Notes that are characterised as equity of the Issuer (“**Equity Notes**”).

Distributions on Equity Notes – General

Distributions paid by the Issuer with respect to Equity Notes out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) will generally be taxable to a U.S. Holder as foreign source dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder’s basis in the Equity Notes and thereafter as capital gain. However, the Issuer does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by the Issuer with respect to Equity Notes will constitute ordinary dividend income. U.S. Holders should consult their own tax advisers with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Issuer.

For taxable years that begin before 2013, distributions paid by the Issuer will generally be taxable to a non-corporate U.S. Holder at the special reduced rate normally applicable to long-term capital gains, provided the Issuer qualifies for the benefits of the Treaty. A U.S. Holder will be eligible for this reduced rate only if it has held the Equity Notes for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date.

Foreign Currency Distributions

Distributions paid in a foreign currency will be included in income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the distributions are received by the U.S. Holder, regardless of whether the foreign currency is converted into U.S. dollars at that time. If distributions received in a foreign currency are converted into U.S. dollars on the day they are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the distribution income.

Sale or other Disposition of Equity Notes

Upon a sale or other disposition of Equity Notes, a U.S. Holder generally will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other disposition and the U.S. Holder’s adjusted tax basis in the Equity Notes. A U.S. Holder may realise gain on Equity Notes not only through a sale or other disposition, but also by pledging the Equity Notes as security for a loan or entering into certain constructive disposition transactions. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder’s holding period in the Equity Notes exceeds one year. However, regardless of a U.S. Holder’s actual holding period, any loss may be long-term capital loss to the extent the U.S. Holder receives a dividend that qualifies for the reduced rate described above under “— Distributions on Equity Notes

— General” and exceeds 10 per cent. of the U.S. Holder’s basis in its Equity Notes. Any gain or loss will generally be U.S. source.

A U.S. Holder’s tax basis in an Equity Note will generally be its U.S. dollar cost. The U.S. dollar cost of an Equity Note purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase, or the settlement date for the purchase, in the case of Equity Notes traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

The amount realised on a sale or other disposition of Equity Notes for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or disposition. On the settlement date, the U.S. Holder will recognise U.S. source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. However, in the case of Equity Notes traded on an established securities market that are sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), the amount realised will be based on the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognised at that time.

Disposition of Foreign Currency

Foreign currency received on the sale or other disposition of an Equity Note will have a tax basis equal to its U.S. dollar value on the settlement date. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Equity Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

Forward Notes

General

A Note that provides for a payment in redemption at maturity that is based on the value of one or more Reference Items (whether physically settled by delivery of those Reference Items or settled in cash) and does not provide for a current coupon, may be identified as a “Forward Note” by the Issuer in the relevant Final Terms. A U.S. Holder of a Forward Note would generally be subject to the U.S. federal income tax consequences discussed below.

In Notice 2008-2, the IRS and the U.S. Department of Treasury announced they were considering whether the holder of an instrument such as a Forward Note should be required to accrue ordinary income on a current basis, whether additional gain or loss from Forward Notes should be treated as ordinary or capital, whether non-U.S. holders of Forward Notes should be subject to withholding tax on any deemed income accruals, and whether the special “constructive ownership rules” of Section 1260 of the Code might be applied to Forward Notes. Legislation has also been proposed in Congress that would require the holders of certain prepaid forward contracts to accrue income during the term of the transaction. It is not possible to predict the final form of legislative or regulatory changes that might affect holders of instruments such as the Forward Notes, if any, but it is possible that any such changes could be applied retroactively. U.S. Holders are urged to consult their tax advisors concerning the significance, and the potential impact, of the above considerations. The Issuer intends to continue treating the Forward Notes for U.S. federal income tax purposes in accordance with the treatment described below unless and until such time as Congress, the Treasury, and/or the IRS determine that some alternative treatment is more appropriate.

Characterisation

A Forward Note should constitute a prepaid forward contract for U.S. federal income tax purposes. Under current law, U.S. Holders should not be required to recognise income or loss upon the acquisition of a Note, and U.S. Holders should not be required to accrue income with respect to a Note over the life of the Note.

Purchase, Sale and Retirement

A U.S. Holder will recognise gain or loss on the sale or retirement for cash of a Forward Note equal to the difference between the amount of cash received upon sale or retirement and the U.S. Holder's tax basis in the Note. A U.S. Holder's tax basis in a Forward Note will generally be the Note's U.S. dollar cost. The U.S. dollar cost of a Forward Note purchased with a foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase increased by the nominal exercise price, if any, paid by the U.S. Holder. Except as provided under "— Constructive Ownership Transactions" below, any gain or loss recognised on the sale or retirement of a Forward Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period in the Note exceeds one year.

Upon a retirement of a Forward Note by physical delivery of the Reference Items, a U.S. Holder will not be required to recognise gain or loss at that time. A U.S. Holder will have a basis in the Reference Items equal to the U.S. Holder's basis in the Forward Note. A U.S. Holder's holding period in the Reference Items will not include the U.S. Holder's holding period in the Forward Notes.

Constructive Ownership Transactions

To the extent that a Forward Note is treated as a "constructive ownership transaction", any gain on disposition may be treated as ordinary income and an interest charge may be imposed on a deemed underpayment of tax for each taxable year during which the Note was held. For purposes of determining the interest charge, gain treated as ordinary income is allocated to each such taxable year during which the Forward Note was held, so that the amount of gain accrued from each year to the next increases at a constant rate equal to the "applicable federal rate" (a rate published monthly by the IRS based on prevailing Treasury yields) in effect at the time the Note is sold or redeemed.

A Note could be treated in whole or in part as a constructive ownership transaction if the issuer of a Reference Item and, if the Reference Item is an index, possibly the issuer of any security included in that index is treated for U.S. federal income tax purposes as, among other things, a PFIC, a partnership, a trust, or a common trust fund.

The Issuer does not intend to determine whether the issuers of any Reference Item in fact fall into any of these categories. Prospective purchasers should consult their tax advisers regarding the status of the Reference Items and the application of the constructive ownership transaction rules to ownership of the Note.

Option Notes

A Note that provides for a payment in redemption at maturity that may under certain circumstances be based on the value of one or more Reference Items (whether physically settled by delivery of those Reference Items or settled in cash) and also provides for a current coupon, may be identified as an "Option Note" by the Issuer. The discussion below describes the U.S. federal income tax consequences to a U.S. Holder of holding Option Notes.

The treatment of Option Notes for U.S. federal income tax purposes is highly uncertain. It would be reasonable to treat the purchase of an Option Note by a U.S. Holder as a grant by the U.S. Holder to the Issuer of an option contract (the "**Put Option**"), pursuant to which the U.S. Holder may be

required to purchase from the Issuer one or more of the Reference Items (or an amount equal to the value of the Reference Items in the case of a cash settled Option Note), and under which option (a) at the time of the issuance of the Option Note the U.S. Holder deposits irrevocably with the Issuer a fixed amount of cash to assure the fulfilment of the holder's purchase obligation described below (the "**Deposit**"), (b) until maturity the Issuer will be obligated to pay interest to the U.S. Holder, as compensation for the use of the cash Deposit during the term of the Option Note, (c) the Issuer will be obligated to pay an option premium to the holder in consideration for granting the option (the "**Put Premium**"), which premium will be payable as part of the coupon payments, (d) if pursuant to the terms of the Option Notes at maturity the holder is obligated to purchase the Reference Item(s), then the Deposit will be applied by the Issuer in full satisfaction of the holder's purchase obligation under the Put Option, and the Issuer will deliver to the holder the number of Reference Items that the holder is entitled to receive at that time pursuant to the terms of the Notes (or, if the Option Notes are cash settled, a cash amount equal to the value of the Reference items), and (e) if pursuant to the terms of the Option Notes the holder is not obligated to purchase the Reference Items at maturity, the Issuer will return the cash Deposit to the U.S. Holder at maturity. The discussion below assumes that an Option Note is so treated, except as explicitly provided.

Amounts paid to the Issuer in respect of the original issue of the Option Notes will be treated as allocable in their entirety to the amount of the cash Deposit attributable to such Notes. A portion of the coupon on the Notes (which coupon may be denominated entirely as stated interest) will be characterised as interest payable on the amount of such Deposit, includible in the income of a U.S. Holder as interest in the manner described below. A portion of the coupon will be characterised as Put Premium, includible in the income of a U.S. Holder in the manner described below. There is no assurance that the IRS will agree with this treatment, and alternative treatments of the Option Notes could result in less favourable U.S. federal income tax consequences to a holder, including a requirement to accrue income with respect to the Put Option on a current basis.

Interest Payments

Interest payments on the Deposit will generally be included in the income of a U.S. Holder as interest at the time that such interest is accrued or received in accordance with such U.S. Holder's method of accounting. If the Option Notes are issued at a discount or have a term of one year or less, U.S. Holders will be subject to the rules discussed above under "— U.S. Federal Income Tax Treatment of Notes Treated as Debt — Original Issue Discount" with respect to interest or OID payable on the Deposit. Interest paid by the Issuer and OID, if any, accrued with respect to the Option Notes, generally constitute income from sources outside the United States.

Payments of Put Premium

Payments of the Put Premium will not be included in the income of a U.S. Holder until sale or other taxable disposition of Option Notes or retirement of Option Notes for cash; if the Option Note is settled by delivery of Reference Items, the payments of Put Premium will instead be incorporated into the U.S. Holder's basis in such Reference Items. Upon the sale or other taxable disposition of Option Notes or at maturity, as the case may be, the Put Premium payment will be treated in the manner described below.

Retirement of an Option Note for Cash

If the Put Option is deemed not to have been exercised at maturity, the cash payment of the full principal amount of the Option Note at maturity would likely be treated as (i) payment in full of the principal amount of the Deposit (which would likely not result in the recognition of gain or loss to an initial purchaser) and (ii) the lapse of the Put Option, which would likely result in a U.S. Holder's recognition of short-term capital gain in an amount equal to the Put Premium paid to the Holder.

If the Put Option is deemed to be exercised at maturity and is cash settled, the payment at maturity would likely be treated as (i) payment in full of the principal amount of the Deposit (resulting in neither gain nor loss for an initial purchaser) and (ii) the exercise by the Issuer of the Put Option. The exercise of the Put Option would result in short-term capital gain or loss to the U.S. Holder in an amount equal to the difference between (i) the sum of the cash received at maturity (other than amounts attributable to accrued but unpaid interest) and all previous payments of Put Premium, and (ii) the holder's adjusted basis in the Deposit, as determined under "— U.S. Federal Income Tax Treatment of Notes Treated as Debt — Purchase, Sale and Retirement of Notes".

Other Retirement of an Option Note

Delivery at maturity of Reference Items would likely be treated as (i) payment in full of the Deposit (resulting in neither gain nor loss for an initial purchaser) and (ii) the exercise by the Issuer of the Put Option and the U.S. Holder's purchase of the Reference Items for an amount equal to the principal amount of the Option Note. The U.S. Holder will have a tax basis in the Reference Items equal to the principal amount of the Option Notes less an amount equal to the aggregate amount of the Put Premium payments and less the portion of the tax basis of the Option Notes allocable to any fractional Reference Item, as described in the next sentence. A U.S. Holder will recognise gain or loss (which will be treated as short-term capital gain or loss) with respect to cash received in lieu of fractional Reference Items, in an amount equal to the difference between the cash received and the portion of the basis of the Option Notes allocable to fractional Reference Items (based on the relative value of fractional Reference Items and full Reference Items delivered to the U.S. Holder). A U.S. Holder's holding period in the Reference Items received will not include the U.S. Holder's holding period in the Option Notes.

Sale or Other Taxable Disposition of an Option Note Prior to Maturity

Upon the sale or other taxable disposition of an Option Note, a U.S. Holder should allocate the amount received between the Deposit and the Put Option on the basis of their respective values on the date of sale or other disposition. The U.S. Holder should generally recognise gain or loss with respect to the Deposit in an amount equal to the difference between the amount of the sales proceeds allocable to the Deposit and the U.S. Holder's adjusted tax basis in the Deposit (which will generally equal the issue price of the Option Note for an initial purchaser (as may be adjusted for any accrued OID on the Deposit)). Except to the extent attributable to accrued but unpaid interest, which will be taxed as such, this gain or loss will be long-term capital gain or loss if the U.S. Holder has held the Option Notes for more than one year. If the Put Option has a positive value on the date of a sale of the Option Note, the U.S. Holder should recognise short-term capital gain equal to the portion of the sale proceeds allocable to the Put Option plus any previously received Put Premium. If the put option has a negative value on the date of sale, the U.S. Holder should be treated as having paid the buyer an amount equal to the negative value in order to assume the U.S. Holder's rights and obligations under the Put Option. In such a case, the U.S. Holder should recognise short-term capital gain or loss in an amount equal to the difference between the total Put Premium previously received and the amount of the payment deemed made by the U.S. Holder with respect to the assumption of the Put Option.

Foreign Currency Option Notes

Option Notes denominated in, or determined by reference to, a foreign currency ("**Foreign Currency Option Notes**") will be subject to special rules. Interest and OID denominated in, or determined by reference to, a foreign currency will generally be subject to the rules described in "— U.S. Federal Income Tax Treatment of Notes Treated as Debt — Foreign Currency Notes" above.

The treatment upon the sale, retirement or disposition of the Deposit, as described above, should also be governed by the rules described under "— U.S. Federal Income Tax Treatment of Notes Treated as Debt — Foreign Currency Notes" above, regardless of whether the Option Note is cash settled. A U.S.

Holder will have a tax basis in any Reference Items received in an amount equal to the excess of the purchase price of the Option Note, translated into U.S. dollars at the exchange rate in effect on the date of retirement, over the total premium payments received, with each premium likely translated into U.S. dollars at the exchange rate in effect on the date that it is received. U.S. Holders should consult their tax advisers about the proper method for translating foreign currency with respect to an Option Note into U.S. dollars.

Possible Alternative Characterisations

Due to the absence of authority as to the proper characterisation of the Option Notes, no assurance can be given that the IRS will accept, or that a court will uphold, the characterisation and tax treatment described above. It is possible, for example, that the IRS could maintain that amounts denominated as Put Premium (i) should be includible in the U.S. Holder's income as interest in the manner described above regarding the interest payment, or (ii) should be included in a U.S. Holder's income even in a case where the Option Note is retired for Reference Items. Such treatment might arise, for example, if the IRS were successfully to maintain that amounts denominated as Put Premium (i) should be characterised for federal income tax purposes as interest, or (ii) should be treated as a return on the U.S. Holder's investment in the Option Notes that constitutes income. Alternatively, the IRS could maintain that the Option Notes should be treated as contingent payment debt obligations, in which case the U.S. Holder would be treated as owning Contingent Notes (or Foreign Currency Contingent Notes), subject to the treatment discussed above under “— U.S. Federal Income Tax Treatment of Notes Treated as Debt”.

6.4 Backup Withholding and Information Reporting

In general, payments of interest and accruals of OID on, and the proceeds of a sale, redemption or other disposition of, the Notes, payable to a U.S. Holder by a U.S. paying agent or other U.S. intermediary, will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding will apply to these payments including payments of OID if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

6.5 Reportable Transactions

A U.S. taxpayer that participates in a “reportable transaction” will be required to disclose its participation to the IRS. Under the relevant rules, if the Notes are denominated in a foreign currency, a U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if this loss exceeds the relevant threshold in the regulations (USD 50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders), and to disclose its investment by filing Form 8886 with the IRS. A penalty in the amount of USD 10,000 in the case of a natural person and USD 50,000 in all other cases is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules.

Foreign Financial Asset Repurchasing

Recently enacted legislation imposes new reporting requirements on the holding of certain foreign financial assets, including debt and equity of foreign entities, if the aggregate value of all of these assets exceeds USD 50,000 at the end of the taxable year or USD 75,000 at any time during the taxable year. These thresholds are higher for individuals living outside of the United States and

married couples filing jointly. The Notes are expected to constitute foreign financial assets subject to these requirements unless the Notes are regularly traded on an established securities market and held in an account at a domestic financial institution. U.S. Holders should consult their tax advisers regarding the application of this legislation.

6.6 FATCA Withholding

Sections 1471 through 1474 of the Code (“**FATCA**”) impose a withholding tax of 30% on a portion of certain payments by non-U.S. entities (such as the Issuer), to persons that fail to meet requirements under FATCA. If the Issuer (or relevant intermediary) enters into and complies with an agreement with the IRS (an “**FFI Agreement**”), this withholding tax may be imposed on a portion of payments to (a) certain holders or beneficial owners of Notes that do not provide certain information requested by the Issuer (or any relevant intermediary) and (b) any recipient (including an intermediary) of a payment that has not (or the relevant financial institution has not) entered into an FFI Agreement (or otherwise established an exemption from FATCA). Withholding should not be required with respect to payments on the Notes before January 1, 2017. Neither a holder nor a beneficial owner of Notes will be entitled to any additional amounts in the event such withholding tax is imposed. Certain beneficial owners may be eligible for a refund of amounts withheld as a result of FATCA.

The future application of FATCA to the Issuer and the holders of Notes is uncertain, and it is not clear at this time what actions, if any, will be required to minimize any adverse impact of FATCA on the Issuer and the holders of Notes. The Issuer currently intends to enter into an FFI Agreement.

It is also uncertain at this time how the reporting mechanism will operate. In particular, certain changes will likely have to occur with the operation of DTC, Euroclear, Clearstream, Luxembourg and other similar clearing systems.

FATCA is particularly complex and its application to the Issuer, the Notes and the holders is uncertain at this time. Each holder of Notes should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how it might affect such holder in its particular circumstance.

6.7 Dividend Equivalent Payments

U.S. legislation enacted in 2010 imposes a 30% U.S. withholding tax on payments that are directly or indirectly contingent upon, or determined by reference to, the payment of a dividend from a U.S. entity (a “**Dividend Equivalent Payment**”). The type of payments that constitute Dividend Equivalent Payments subject to this withholding tax is not entirely clear. Payments on Notes that reference equity in U.S. entities, or indices that include equity in U.S. entities, or that reference dividend payments made by U.S. entities, could become subject to this withholding tax. Holders that are not U.S. Holders (“**Non-U.S. Holders**”) may be able to claim the benefits of a double tax treaty to reduce this withholding. Neither the Issuer nor its Agents nor any other person shall pay any additional amounts to the Non-U.S. Holders in respect of any U.S. withholding imposed on any Dividend Equivalent Payment. The application and interpretation of the rules governing U.S. withholding tax on Dividend Equivalent Payments is subject to change. Non-U.S. Holders should consult their tax advisers about possibility of U.S. withholding on payments made on Notes.

7. EU Savings Directive

Under the Savings Directive, each EC Member State is required, from 1 July 2005, to provide to the tax authorities of another EC Member State details of payment of interest or similar income paid by a person within its jurisdiction to, or collected by such person for, an individual resident in that other EC Member State (the “**Disclosure of Information Method**”). 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. Belgium used to operate a withholding tax system at a rate no higher than 20 per cent. in relation to such payments until 31 December 2009 and switched to the provision of information (instead of the withholding tax) as from 1 January 2010. The Savings Directive provides for current a withholding tax rate of 35 per cent.

Also with effect from 1 July 2005, a number of non-EC countries, including Switzerland, and certain dependent or associated territories of certain EC Member States have agreed to adopt similar measures (either provision of information or transitional withholding) (a withholding system in the case of Switzerland) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in an EC Member State. In addition, the EC Member States have entered into the reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in an EC Member State to, or collected by such a person for, an individual resident in one of those territories.

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

ERISA CONSIDERATIONS

Each fiduciary of a pension, profit-sharing or other employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), (a “**Plan**”) should consider the fiduciary standards of ERISA in the context of the Plan’s particular circumstances before authorizing an investment in the Notes. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the Plan. In addition, certain governmental, church and non-U.S. plans (“**Non-ERISA Arrangements**”) are not subject to the provisions of Section 406 of ERISA or Section 4975 of the Code, but may be subject to federal, state, local or non-U.S. laws that are substantially similar to those provisions (“**Similar Laws**”).

In addition to ERISA’s general fiduciary standards, the Issuer, directly or through its affiliates, may be considered a “party in interest” within the meaning of ERISA, or a “disqualified person” within the meaning of the Code, with respect to many Plans, as well as many individual retirement accounts and Keogh plans (also “**Plans**”). ERISA Section 406 and Code Section 4975 generally prohibit transactions between plans and parties in interest or disqualified persons. Prohibited transactions within the meaning of ERISA or the Code would likely arise, for example, if the Notes are acquired by or with the assets of a Plan with respect to which the Issuer or any of its affiliates is a service provider or other party in interest, unless the Notes are acquired pursuant to an exemption from the “prohibited transaction” rules. A violation of these prohibited transaction rules could result in an excise tax or other liabilities under ERISA and/or Section 4975 of the Code for such persons, unless exemptive relief is available under an applicable statutory or administrative exemption.

There are five prohibited transaction class exemptions (“**PTCEs**”) issued by the U.S. Department of Labor that may provide exemptive relief for direct or indirect prohibited transactions resulting from the purchase or holding of the Notes. Those class exemptions are PTCE 96-23 (for certain transactions determined by in-house asset managers), PTCE 95-60 (for certain transactions involving insurance company general accounts), PTCE 91-38 (for certain transactions involving bank collective investment funds), PTCE 90-1 (for certain transactions involving insurance company separate accounts), and PTCE 84-14 (for certain transactions determined by independent qualified professional asset managers). In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code provide a limited exemption for the purchase and sale of securities and related lending transactions, provided that neither the issuer of the securities nor any of its affiliates has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of any Plan involved in the transaction and provided further that the Plan receives no less, and pays no more, than “adequate consideration” (within the meaning of ERISA Section 408(b)(17) and Section 4975(f)(10) of the Code) in connection with the transaction (the so-called “service-provider exemption”). There can be no assurance that any of these exemptions or any other exemption will be available with respect to any particular transaction involving the Notes.

Because the Issuer, directly or through its affiliates, may be considered a party in interest or disqualified person with respect to many Plans, unless otherwise specified in the applicable Final Terms, the Notes may not be purchased, held or disposed of by any Plan, any entity whose underlying assets include “plan assets” by reason of any Plan’s investment in the entity (a “**Plan Asset Entity**”) or any person investing “plan assets” (within the meaning of Department of Labor Regulation Section 2510.3-101, as modified by ERISA Section 3(42)) of any Plan or Plan Asset Entity, unless such purchase, holding or disposition is eligible for exemptive relief under PTCE 96-23, 95-60, 91-38, 90-1, or 84-14 or the service-provider exemption. Unless specified otherwise in the applicable Final Terms, any purchaser, including any fiduciary purchasing on behalf of a Plan, Plan Asset Entity or Non-ERISA Arrangement, transferee or holder of the Notes will be deemed to have represented, in its corporate and fiduciary capacity, by its purchase and holding of the Notes that (a) either (i) it is not a Plan, a Plan Asset Entity or Non-ERISA Arrangement and is not purchasing such securities on behalf of or with “plan assets” of any Plan, Plan Asset Entity or Non-ERISA Arrangement or (ii) its purchase, holding and disposition are eligible for exemptive relief under PTCE 96-23, 95-60, 91-38, 90-1 or 84-14 or the service-provider exemption or similar exemptions from Similar Laws and (b) neither the Issuer nor any of its

affiliates is (A) a “fiduciary” within the meaning of ERISA Section 3(21), or (B) with respect to a Non-ERISA Arrangement, a “fiduciary” or substantially similar person under any federal, state, local or non-U.S. laws that are substantially similar to ERISA Section 3(21) with respect to the purchaser or holder in connection with such person’s purchase or holding of the Notes, or as a result of any exercise by the Issuer or any of its affiliates of any rights in connection with the Notes, and no advice provided by the Issuer or any of its affiliates has formed a primary basis for any investment decision by or on behalf of such purchaser or holder in connection with the Notes and the transactions contemplated with respect to the Notes.

In addition to considering the consequences of holding the Notes, Plans, Plan Asset Entities and Non-ERISA Arrangements purchasing the Notes should also consider the possible implications of owning any underlying security that an investor may receive upon an optional or mandatory exchange of the Notes at maturity or otherwise. Purchasers of the Notes have exclusive responsibility for ensuring that their purchase, holding and disposition of the Notes do not violate the prohibited transaction rules of ERISA, the Code or any Similar Laws.

DUE TO THE COMPLEXITY OF THESE RULES AND THE PENALTIES THAT MAY BE IMPOSED UPON PERSONS INVOLVED IN NON-EXEMPT PROHIBITED TRANSACTIONS, IT IS PARTICULARLY IMPORTANT THAT FIDUCIARIES OR OTHER PERSONS CONSIDERING PURCHASING THE NOTES ON BEHALF OF OR WITH “PLAN ASSETS” OF ANY PLAN, PLAN ASSET ENTITY OR NON-ERISA ARRANGEMENT CONSULT WITH THEIR COUNSEL REGARDING THE AVAILABILITY OF EXEMPTIVE RELIEF UNDER PTCES 96-23, 95-60, 91-38, 90-1 OR 84-14 OR THE SERVICE-PROVIDER EXEMPTION, OR SIMILAR EXEMPTIONS FROM SIMILAR LAWS. THE SALE OF ANY NOTES TO A PLAN, PLAN ASSET ENTITY OR NON-ERISA ARRANGEMENT IS IN NO RESPECT A REPRESENTATION BY THE ISSUER OR ANY OF ITS AFFILIATES OR REPRESENTATIVES THAT SUCH AN INVESTMENT MEETS ALL RELEVANT LEGAL REQUIREMENTS WITH RESPECT TO INVESTMENTS BY ANY SUCH PLAN, PLAN ASSET ENTITY OR NON-ERISA ARRANGEMENT GENERALLY OR ANY PARTICULAR PLAN, PLAN ASSET ENTITY OR NON-ERISA ARRANGEMENT OR THAT SUCH INVESTMENT IS APPROPRIATE FOR SUCH PLANS, PLAN ASSET ENTITIES OR NON-ERISA ARRANGEMENTS GENERALLY OR ANY PARTICULAR PLAN, PLAN ASSET ENTITY OR NON-ERISA ARRANGEMENT.

TRANSFER RESTRICTIONS

Rule 144A Notes

Each purchaser of Registered Notes within the United States pursuant to Rule 144A, by accepting delivery of this Base Prospectus, will be deemed to have represented, agreed and acknowledged that:

- (1) It is (a) a qualified institutional buyer within the meaning of Rule 144A (a “**QIB**”), (b) acquiring such Notes for its own account or for the account of a QIB and (c) aware, and each beneficial owner of such Notes has been advised, that the sale of such Notes to it is being made in reliance on Rule 144A.
- (2) It understands that such Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States.
- (3) It will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (2) above, if then applicable.
- (4) It understands that such Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “**SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT (“**RULE 144A**”) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS NOTE.

- (5) The Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements. If it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.
- (6) It understands that the Notes offered in reliance on Rule 144A will be represented by one or more Global Certificates.

- (7) Distribution of this Base Prospectus, or disclosure of any of its contents to any person other than such purchaser and those persons, if any, retained to advise such purchaser with respect thereto is unauthorised, and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.
- (8) (i) It is not a Plan, a Plan Asset Entity or Non-ERISA Arrangement and is not purchasing such securities on behalf of or with “plan assets” of any Plan, Plan Asset Entity or Non-ERISA Arrangement or (ii) its purchase, holding and disposition are eligible for exemptive relief under PTCE 96-23, 95-60, 91-38, 90-1 or 84-14 or the service-provider exemption or similar exemptions from Similar Laws and (b) neither the Issuer nor any of its affiliates is (A) a “fiduciary” within the meaning of ERISA Section 3(21), or (B) with respect to a Non-ERISA Arrangement, a “fiduciary” or substantially similar person under any federal, state, local or non-U.S. laws that are substantially similar to ERISA Section 3(21) with respect to the purchaser or holder in connection with such person’s purchase or holding of the Notes, or as a result of any exercise by the Issuer or any of its affiliates of any rights in connection with the Notes, and no advice provided by the Issuer or any of its affiliates has formed a primary basis for any investment decision by or on behalf of such purchaser or holder in connection with the Notes and the transactions contemplated with respect to the Notes.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S Notes

Each purchaser of Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Base Prospectus and the Notes, will be deemed to have represented, agreed and acknowledged that:

- (1) It is, or at the time Notes are purchased will be, the beneficial owner of such Notes and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.
- (2) It understands that such Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Notes except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB or (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.
- (3) It understands that such Notes, unless otherwise determined by the Issuer in accordance with applicable law, will bear a legend to the following:
- “THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE “**SECURITIES ACT**”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND NEITHER THIS NOTE NOR ANY PORTION THEREOF MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT.”
- (4) It understands that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- (5) It understands that the Notes offered in reliance on Regulation S will be represented by a Temporary Global Note and a Permanent Global Note.

- (6) (i) It is not a Plan, a Plan Asset Entity or Non-ERISA Arrangement and is not purchasing such securities on behalf of or with “plan assets” of any Plan, Plan Asset Entity or Non-ERISA Arrangement or (ii) its purchase, holding and disposition are eligible for exemptive relief under PTCE 96-23, 95-60, 91-38, 90-1 or 84-14 or the service-provider exemption or similar exemptions from Similar Laws and (b) neither the Issuer nor any of its affiliates is (A) a “fiduciary” within the meaning of ERISA Section 3(21), or (B) with respect to a Non-ERISA Arrangement, a “fiduciary” or substantially similar person under any federal, state, local or non-U.S. laws that are substantially similar to ERISA Section 3(21) with respect to the purchaser or holder in connection with such person’s purchase or holding of the Notes, or as a result of any exercise by the Issuer or any of its affiliates of any rights in connection with the Notes, and no advice provided by the Issuer or any of its affiliates has formed a primary basis for any investment decision by or on behalf of such purchaser or holder in connection with the Notes and the transactions contemplated with respect to the Notes.

SUBSCRIPTION AND SALE

Summary of the Programme Agreement

Subject to the terms and on the conditions contained in an Amended and Restated Programme Agreement dated 22 June 2012 (as amended or supplemented as at the Issue Date (the “**Programme Agreement**”)) between the Issuer and the Initial Dealers (as defined in the Programme Agreement), the Notes will be offered on a continuous basis by the Issuer to the Initial Dealers (unless otherwise agreed). However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Initial Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the Relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each Relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

No sale of Registered Notes in the United States to any one purchaser will be for less than U.S.\$100,000 (or its foreign currency equivalent) principal amount and no Registered Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$100,000 (or its foreign currency equivalent) of Registered Notes.

Selling Restrictions

Public Offer Selling Restriction under the Prospectus Directive

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (c) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (d) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (e) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer(s) nominated by the Issuer for any such offer; or
- (f) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

Argentina

The Issuer has not made, and will not make, any application to obtain an authorisation from the *Comisión Nacional de Valores* (“**CNV**”) for the public offering of the Notes in Argentina. The CNV has not approved the Notes, the offering, nor any document relating to the offering of the Notes. Each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, any of such Notes in Argentina, except in transactions that will not constitute a public offering of Securities Offering and Sale 511 within the meaning of Section 16 of the Argentine Public Offering Law No 17,811.

Austria

Each Dealer has represented and agreed that it has not made and will not make an offer of the Notes to the public in Austria, except that an offer of the Notes may be made to the public in Austria:

- (a) if the following conditions have been satisfied:
 - (i) the Base Prospectus, including any supplements but excluding any Final Terms, in relation to those Notes issued by the Issuer, which has been approved by *Finanzmarktaufsichtsbehörde* in Austria (the “**FMA**”) or, where appropriate, approved in another Member State and notified to the FMA, all in accordance with the Prospectus Directive, has been published at least one Austrian banking business day prior to the commencement of the relevant offer;
 - (ii) the relevant Final Terms for the Notes have been published on or prior to the date of commencement of the relevant offer; and
 - (iii) a notification with Oesterreichische Kontrollbank, all as prescribed by the Capital Market Act 1991, as amended (“**CMA**”: Kapitalmarktgesetz 1991), has been filed at least one Austrian banking business day prior to the commencement of the relevant offer; or
- (b) otherwise in compliance with the CMA.

For the purposes of this provision, the expression “an offer of the Notes to the public” means the communication to the public in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Brazil

Each Dealer has represented and agreed that the Notes may not be offered or sold in Brazil, except in circumstances that do not constitute a public offer or sale under Brazilian law or regulations. Any public offering or distribution, as defined under Brazilian laws and regulations, of the Notes in Brazil is not legal without prior registrations required under Brazilian law and regulations, such as those provided for under Law No. 6,385/76, as amended, Instruction No. 400, issued by the *Comissão de Valores Mobiliários* on December

29, 2003, as amended. Documents relating to the offerings of the Notes, as well as information contained therein, may not be supplied to the public in Brazil (as the offering of the Notes is not a public offering of securities in Brazil), nor be used in connection with any offer for subscription or sale of the Notes to the public, as provided for in the applicable laws and regulations, in Brazil.

Chile

Neither the Issuer nor the Notes have been registered with the *Superintendencia de Valores Y Seguros* pursuant to Law No. 18.045, the *Ley de Mercado de Valores*, and regulations thereunder. Each Dealer has represented and agreed that the Base Prospectus, any other offering material or any Final Terms do not constitute an offer of, or an invitation to subscribe for or purchase, the Notes in The Republic of Chile, other than to individually identified buyers pursuant to a Private Offering within the meaning of Article 4 of the *Ley de Mercado de Valores* (an offer that is not addressed to the public at large or to a certain sector or specific group of the public).

China

Each Dealer has represented and agreed that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People's Republic of China.

Dubai International Financial Centre

Each Dealer has represented and agreed that it has not offered and will not offer the Notes to any person in the Dubai International Financial Centre unless such offer is:

- (a) an "Exempt Offer" in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the "DFSA"); and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.

Finland

This Base Prospectus does not constitute a public offer or an advertisement of securities to the public in the Republic of Finland. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not, directly or indirectly, offer or sell in Finland any Notes under circumstances which would constitute a public offer of securities under Finnish law, including the Finnish Securities Market Act (26.5.1989/495, as amended) and any regulation issued thereunder, as supplemented and amended from time to time. Any offer or sale of the Notes in Finland shall be made pursuant to a private placement exemption as defined under Article 3(2) of the Prospectus Directive, and the Finnish Securities Markets Act (26.5.1989/495, as amended) and any regulation made thereunder, as supplemented and amended from time to time. This Base Prospectus has not been approved by or notified to the Finnish Financial Supervisory Authority.

France

Each Dealer has represented and agreed that:

- (a) with regard to an offer to the public in France, it has only made and will only make an offer of Notes to the public (*appel public à l'épargne*) in France in the period beginning on the date of notification to the *Autorité des marchés financiers* ("AMF") of the approval of the prospectus relating to those Notes by the competent authority of a member state of the European Economic Area, other than the AMF, which has implemented the EU Prospectus Directive 2003/71/EC, all in accordance with articles

L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the Base Prospectus; or

- (b) with regard to a private placement in France, it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France, and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (i) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*), as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

Guernsey

Each Dealer has represented and agreed that the Notes cannot be marketed, offered or sold in or to persons resident in Guernsey other than in compliance with the licensing requirements of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended or any exemption therefrom.

The Base Prospectus has not been approved or authorised by the Guernsey Financial Services Commission for circulation in Guernsey. The Base Prospectus may not be distributed or circulated directly or indirectly to any persons in the Bailiwick of Guernsey other than (i) by a person licensed to do so under the terms of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, or (ii) to those persons regulated by the Guernsey Financial Services Commission as licensees under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law, 2002 or the Regulation of Fiduciaries, Administration Business and Company Directors etc. (Bailiwick of Guernsey) Law, 2000.

Hong Kong

In relation to each Tranche of Notes issued by the Issuer, each Dealer has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong other than (i) to “**professional investors**” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “**prospectus**” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “**professional investors**” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Israel

Neither the offering contemplated by this Base Prospectus, any other offering material or any Final Terms nor the Notes have been or will be registered with the Securities Authority of the State of Israel. Accordingly, each Dealer has represented and agreed that the Notes may not be offered or sold to the general public in

Israel. The Notes shall only be offered to parties of the types that are listed in the First Schedule to the Securities Law, 5728-1968, of the State of Israel.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (the “**Financial Instruments and Exchange Act**”). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Korea

The Notes have not been and will not be registered with the Financial Services Commission of Korea for public offering in Korea under the Financial Investment Services and Capital Market Act and its subordinate decrees and regulations (collectively, the “**FISCMA**”). Each Dealer has represented and agreed that the Notes may not be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except as otherwise permitted under the applicable laws and regulations of Korea, including the FISCMA and the Foreign Exchange Transaction Law and its subordinate decrees and regulations (collectively, the “**FETL**”). Without prejudice to the foregoing, the number of the Notes offered in Korea or to a resident in Korea shall be less than fifty and for a period of one year from the issue date of the Notes, none of the Notes may be divided resulting in an increased number of the Notes. Furthermore, the Notes may not be resold to Korean residents unless the purchaser of the Notes complies with all applicable regulatory requirements (including but not limited to government reporting requirements under the FETL) in connection with the purchase of the Notes.

Macau

Each Dealer has represented and agreed that the Notes may not be promoted, distributed, sold or delivered in the Macau Special Administrative Region of the People’s Republic of China (Macau), or any document relating to the Notes be distributed or circulated in Macau, except under the terms of and in compliance with the Macau Financial System Act and any other laws in Macau that may apply to the offer and sale of the Notes in Macau. The Notes are not registered or otherwise authorised for public offer under the Financial System Act of Macau, thus may not be offered or sold in Macau, unless such offer is made by Macau licensed entities according to the Macau Financial System Act and upon their communication to the Macau Monetary Authority, in observation of the guidelines and recommendations issued by the Macau local regulatory authority from time to time.

Monaco

Each Dealer has represented and agreed that the Notes may not be offered or sold, directly or indirectly, to the public in Monaco other than by a Monaco duly authorised intermediary acting as a professional institutional investor which has such knowledge and experience in financial and business matters as to be capable of evaluating the risks and merits of an investment in the Notes. Consequently, the Base Prospectus, any other offering material or any Final Terms may only be communicated to banks duly licensed by the “*Autorité de Contrôle Prudentiel*” and fully licensed portfolio management companies by virtue of Law n° 1.144 of July 26, 1991 and Law n° 1.338 of September 7, 2007 duly licensed by the “*Commission de Contrôle des Activités Financières*”.

Republic of Italy

Any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with Legislative Decree No. 58 of 24 February 1998, as amended (the “**Consolidated Financial Services Act**”), Legislative Decree No. 385 of 1 September 1993 (the “**Banking Act**”) and CONSOB Regulation No. 16190 of 29 October 2007, all as amended;
- (b) in compliance with Article 129 of the Banking Act and the implementing guidelines, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy; and
- (c) in compliance with any securities, tax, exchange control and any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time, *inter alia*, by CONSOB or the Bank of Italy.

Additional selling restrictions may be provided in the relevant Final Terms.

Any investor purchasing the Notes in this offering is solely responsible for ensuring that any offer or resale of the Notes it purchased in this offering occurs in compliance with applicable laws and regulations.

Republic of Lithuania

Each Dealer has represented and agreed that the Base Prospectus has not been registered as a prospectus within the meaning of the Law on Securities (No. X-1023) of 18 January 2007 (as most recently amended by Law No. X-1592 of 5 June 2008, Law No. XI-568 of 15 December 2009, Law No. XI-876 of 3 June 2010 and Law No. XI-1035 of 23 September 2010) with the Lithuanian Securities Commission. Accordingly, the Notes may not be offered or sold through public offering or in circumstances which constitute an offer within the meaning of the Law on Securities in the Republic of Lithuania except in circumstances which do not constitute a public offer of securities in the Republic of Lithuania within the meaning of Article 4 of the Law on Securities or pursuant to exemptions from registration set out in article 5 of the Law on Securities.

Singapore

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”), (b) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A) and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Note:

Where Notes are subscribed or purchased under Section 275 by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is given for the transfer;
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the SFA.

Spain

This Base Prospectus has not been approved by or registered in the administrative registries of the Spanish Comisión Nacional del Mercado de Valores and, therefore, each Dealer has represented and agreed that the Notes may not be offered in Spain except in circumstances which do not constitute a public offer of securities in Spain within the meaning of article 30bis of the Spanish Securities Market Law of 28 July 1988 (Ley24/1988, de Julio, del Mercado de Valores), as amended and restated, and supplemental rules enacted thereunder, or pursuant to an exemption from registration set out in article 41 of Royal Decree 1310/1995 of 4 November 1995.

Sweden

This Base Prospectus does not constitute a public offer in Sweden and has not been approved by or notified to the Swedish Financial Supervisory Authority. Each Dealer has represented and agreed that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy Notes or distribute any draft or final document in relation to any such offer, invitation or sale except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (lag (1991:980) *om handel med finansiella instrument*).

Switzerland

If the relevant Final Terms specify that the Notes are not publicly offered in or from Switzerland:

- (a) the Notes may not be publicly offered in or from Switzerland, as such term is defined or interpreted under the Swiss Federal Code of Obligations or the Swiss Federal Act on Collective Investment Schemes, and neither the Programme nor any documents related to the Notes shall constitute a prospectus in the sense of article 652a or 1156 of the Swiss Federal Code of Obligations, or constitute a simplified prospectus in the sense of article 5 of the Swiss Federal Act on Collective Investment Schemes. The Notes do not constitute a participation in a collective investment scheme within the meaning of the Swiss Federal Act on Collective Investment Schemes and they are neither subject to approval nor supervision by the Swiss Financial Market Supervisory Authority (FINMA); and
- (b) such Notes may only be offered or sold in or from Switzerland to qualified investors within the meaning of, and in accordance with, the Swiss Federal Act on Collective Investment Schemes.

Taiwan

Each Dealer has represented and agreed that the Notes may not be offered or sold in Taiwan through public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Law of Taiwan. The Notes may only be made available for purchase outside of Taiwan by investors residing in Taiwan that are not otherwise prohibited from investing in the Notes.

The Netherlands

Each Dealer has represented and agreed that the Notes may not be offered to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive unless (i) such offer is made exclusively to persons or entities which are qualified investors as defined in the Dutch Financial Supervision Act or (ii) standard exemption wording is disclosed as required by Article 5:20(5) of the Dutch Financial Supervision Act, provided that no such offer of Notes shall require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

Zero Coupon Notes in definitive bearer form and other Notes in definitive bearer form on which interest does not become due and payable during their term but only at maturity (savings certificates or *spaarbewijzen* as defined in the Dutch Savings Certificates Act or *Wet inzake spaarbewijzen*, the “SCA”) may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the Issuer or a member of Euronext Amsterdam N.V. with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such securities to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business, and (iii) the issue and trading of such securities if they are physically issued outside the Netherlands and are not distributed in the Netherlands in the course of primary trading or immediately thereafter.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Dealer has represented and agreed that the Notes have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

United Kingdom

Each Dealer has represented and agreed that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Bearer Notes having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the Code and regulations thereunder.

Each Dealer has represented and agreed that, except as permitted by the Programme Agreement, it will not offer, sell or, in the case of Bearer Notes, deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined and certified to the Issuer, by the relevant Agent or, in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, unless in accordance with Rule 903 of Regulation S or Rule 144A under the Securities Act. Accordingly, each Dealer has further represented and agreed that neither it nor any of its affiliates (as defined in Rule 405 under the Securities Act) nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts (as defined in Rule 902(c) under the Securities Act) with respect to any Notes, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Dealer has further agreed that it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it (other than a sale of Notes issued pursuant to Rule 144A) during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of an offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by any dealer that is not participating in the offering of such tranche of Notes may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. The Programme Agreement provides that the Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Notes within the United States only to qualified institutional buyers pursuant to Rule 144A.

Each purchaser of Registered Notes that have not been registered under the Securities Act is hereby notified that the offer and sale of such Notes to it is being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. Each purchaser of Registered Notes pursuant to Rule 144A, by accepting delivery of this Base Prospectus, will be deemed to have represented and agreed that it is a qualified institutional buyer, that it is aware that the sale to it is being made in reliance on Rule 144A and that it is acquiring the Notes for its own account or for the account of a qualified institutional buyer. See “Transfer Restrictions”.

No sale of Registered Notes in the United States to any one purchaser will be for less than USD 100,000 (or its foreign currency equivalent) principal amount and no Registered Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least USD 100,000 (or its foreign currency equivalent) of Registered Notes.

Each issuance of Credit Linked Notes, Commodity Linked Notes, Currency Linked Notes, Equity Linked Notes, Index Linked Notes, Fund Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer(s) may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the relevant Final Terms. Each of the Dealer(s) agrees that it will offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus, any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes, or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms.

GENERAL INFORMATION

1. Application has been made to the AFM to approve this document as a base prospectus for the purposes of Article 5.4 of the Prospectus Directive. Application has also been made to Euronext Amsterdam for Notes issued under the Programme, on or after the implementation of the Prospectus Directive in the Netherlands and up to the expiry of 12 months from the date of this Base Prospectus, to be admitted to trading on Euronext Amsterdam.
2. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. The update of the Programme was authorised by Rabobank Nederland by a resolution of the Executive Board of Rabobank Nederland passed on 8 November 2011, by a resolution of the Supervisory Board passed on 28 November 2011 and by a secretary's certificate dated 22 June 2012.
3. Application has been made to the SIX Swiss Exchange to register this Base Prospectus as an issuance programme pursuant to Article 21 of the Additional Rules for the Listing of Derivatives of the SIX Swiss Exchange. The Issuer is partially recognised pursuant to Article 43 of the Listing Rules of the SIX Swiss Exchange, i.e. the Issuer is authorised to submit listing applications for bonds and derivatives. For the registration of this Base Prospectus, the Issuer is represented by Pestalozzi Attorneys at Law Ltd, located at Löwenstrasse 1, 8001 Zurich, Switzerland, as a recognised representative pursuant to Article 43 of the Listing Rules of the SIX Swiss Exchange.
4. There has been no significant change in the financial or trading position of the Issuer or the Group and there has been no material adverse change in the financial position or prospects of the Issuer nor of the Group since 31 December 2011.
5. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period covering the 12 months preceding the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the Issuer's and/or the Group's financial position or profitability.
6. Each Bearer Note, Receipt, Coupon and Talon for which TEFRA D is specified in the relevant Final Terms will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
7. If the Notes are to be certificated in the form of one or more permanent global certificates, Noteholders are only entitled to demand the delivery of individual certificates in the limited circumstances set out in the relevant permanent global certificate and/or the Final Terms, as further described under the section "Form of the Notes" of this Base Prospectus.
8. The Notes have been accepted for clearance through the Euroclear and Clearstream systems. In addition, the Issuer will make an application with respect to any Series of Registered Notes to be accepted for trading in book-entry form by DTC. Acceptance by DTC of each Tranche of a Series of Registered Notes will be confirmed in the relevant Final Terms. The Common Code, the International Securities Identification Number (ISIN), the Committee on the Uniform Security Identification Procedure (CUSIP) number and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms. The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels, the address of Clearstream is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of DTC is 55 Water Street, New York, New York 10041. The address of any Alternative Clearing System will be specified in the relevant Final Terms.

9. For the period of 12 months following the date of this Base Prospectus, copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), at the offices of the Paying Agents:
- (a) the Agency Agreement (as amended and supplemented from time to time) (which includes the form of the Global Notes, the Definitive Notes, and the Coupons, Talons and Receipts relating to Definitive Notes) and the Covenant (as amended and supplemented from time to time);
 - (b) the most recent articles of association of the Issuer;
 - (c) the audited consolidated financial statements of Rabobank Group for the years ended 31 December 2009, 2010 and 2011 (together with the explanatory notes) and the independent auditor's reports in respect of such financial statements;
 - (d) the audited statutory financial statements of Rabobank Nederland for the years ended 31 December 2009, 2010 and 2011 (together with the explanatory notes) and the independent auditor's reports in respect thereof;
 - (e) the annual reports of Rabobank Group for the years ended 31 December 2009, 2010 and 2011;
 - (f) a copy of the latest Base Prospectus (together with any supplement including the Final Terms thereto); and
 - (g) a copy of the 2006 ISDA Definitions.
10. For the period of 12 months following the date of this Base Prospectus, copies of the latest annual consolidated accounts of Rabobank Group and the latest unaudited consolidated half-yearly interim accounts of Rabobank Group may be obtained free of charge at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes are outstanding. Copies of the latest annual non-consolidated accounts of Rabobank Nederland may be obtained free of charge at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes are outstanding. Rabobank Nederland does not publish non-consolidated interim accounts.
11. Ernst & Young Accountants LLP, of which the "Registeraccountants" are members of the Royal Netherlands Institute of Registeraccountants, has audited, and issued unqualified independent auditor's reports on the consolidated and unconsolidated financial statements of Rabobank Nederland for the years ended 31 December 2009, 2010 and 2011. Ernst & Young Accountants LLP has given its consent to the incorporation by reference in this Base Prospectus to their independent auditor's reports regarding the above mentioned financial statements. Ernst & Young Accountants LLP has no interest in Rabobank Nederland.
12. A copy of this Base Prospectus has been, and a copy of each Final Terms will be, filed, if required under applicable law, with the Netherlands Authority for the Financial Markets.
13. The Issuer is subject to corporate income tax.
14. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of the issue in accordance with prevailing market conditions. In particular, the issue price may take into account amounts with respect to commissions and costs relating to the structuring, issue, distribution, sale and administration of such Notes. Accordingly, Notes may be issued at an issue price which is at a premium over par. Regular charges may apply for transactions in and the safekeeping, custody and redemption of the Notes.

15. The issue price and amount of the relevant Notes will be determined based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

PRINCIPAL OFFICE OF THE ISSUER

**Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
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DEALERS

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**Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
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EURONEXT AMSTERDAM LISTING AGENT

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Filename: Rabobank SMTN 2012_Prospectus.docx
Directory: H:\My Documents
Template: T:\firmwide\OfferingCircular.dotx
Title:
Subject:
Author: Barclay, Chris
Keywords:
Comments:
Creation Date: 02/05/2012 22:30:00
Change Number: 496
Last Saved On: 21/06/2012 13:09:00
Last Saved By: Any Authorised User
Last Printed On: 21/06/2012 21:27:00
As of Last Complete Printing
Number of Pages: 495
Number of Words: 230,415 (approx.)
Number of Characters: 1,230,420 (approx.)