



# ABN AMRO Bank N.V.

(incorporated in The Netherlands with its statutory seat in Amsterdam)

## Limited Recourse Programme for the Issuance of Notes and Certificates

*This Base Prospectus constitutes, when read together with the Registration Document (as defined below), a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the 'Prospectus Directive'). This Base Prospectus replaces and supersedes the Prospectus dated 26 March, 2007.*

Under this Limited Recourse Programme for the Issuance of Notes and Certificates (the 'Programme') ABN AMRO Bank N.V. (the 'Issuer'), whether acting through its head office or through a specified branch outside The Netherlands, may from time to time issue notes and certificates (the 'Notes' and the 'Certificates', respectively and together the 'Securities'). The Securities may be denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below). Investors should note that it is intended that subsequent to the date hereof, the Issuer may be substituted and replaced by The Royal Bank of Scotland plc ('RBS') as the Issuer in relation to one or more Series of Securities. Information on RBS can be found in the section "Summary of the Programme and Terms and Conditions of the Securities" and in the RBS Prospectus which is incorporated by reference herein. For a discussion of risk factors in respect of RBS and any such substitution of the Issuer, see "Risk Factors".

Subject as set out herein, the Securities will not be subject to any maximum maturity but (in the case of Notes only) will have a minimum maturity of one month.

**Payments of principal and interest or any deliveries in respect of any Series (as defined below) of Securities may be restricted upon the occurrence of any Constraint Event (as defined below) described in the Final Terms relating to such Series of Securities (the 'applicable Final Terms'). Such event may relate to the imposition of currency or exchange controls in any specified country or to a nationalisation, hedging disruption, a credit rating down grade in relation to a specified obligation or any other circumstance as provided in the applicable Final Terms. The Conditions of any Series of Securities may provide that, in any such event, the Issuer shall be entitled to require the Calculation Agent to adjust the Securities or to early redeem the Securities or to postpone payments or deliveries in respect of the Securities so long as the Constraint Event continues provided that if the Constraint Event continues for a period of two years the Securities shall expire worthless and be cancelled. In such event, Securityholders shall have no further recourse against the Issuer in respect of the Securities. However, the term "limited recourse" should not be taken to imply that any trustee is appointed for Securityholders or any security granted in respect of the Securities. The Issuer may issue Credit Linked Securities under the Programme where payments or other obligations of the Issuer under the Securities are linked to the credit of a specified entity or entities. In the event of the occurrence of certain circumstances (which may include, amongst other things, Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring) in relation to such specified entity(ies) the Issuer's obligations under the Securities may be replaced by an obligation to pay other amounts calculated by reference to the value of certain obligations relating to such specified entity(ies) or to deliver such obligations. Payments in respect of the Securities will as specified in the applicable Final Terms be made either subject to, or without, withholding or deduction for or on account of taxes levied (if any) in The Netherlands or any other relevant Tax Jurisdiction subject to certain exceptions, all as set out in the Terms and Conditions of the Securities set out herein. For a discussion of certain factors that should be considered by prospective investors, see "Risk Factors".**

The Securities will be issued on a continuing basis to the Dealer specified on page 8 (the 'Initial Dealer') and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a 'Dealer' and together the 'Dealers'). The Dealer or Dealers with whom the Issuer agrees or proposes to agree on the issue of any Securities is or are referred to as the 'relevant Dealer' in respect of those Securities.

The Securities of each Tranche (as defined below) will initially be represented by either a Temporary Global Security, a Permanent Global Security, a Regulation S Global Security, a Restricted Global Security and/or Definitive Registered Securities (each as defined below) as indicated in the applicable Final Terms.

Application has been made to Euronext Amsterdam N.V. ('Euronext Amsterdam') for Securities issued under the Programme with a minimum denomination of €50,000 or its equivalent up to the expiry of 12 months from the date of this Base Prospectus to be admitted to trading on Euronext Amsterdam. References in this Programme to Securities being 'listed' (and all related references) shall mean that such Securities have been admitted to trading and have been listed on Euronext Amsterdam. Euronext Amsterdam is a regulated market for the purposes of Directive 2004/39/EC (the Markets in Financial Instruments Directive).

At the date of this Base Prospectus, the Issuer has requested that the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) (the 'Competent Authority') send to (1) the *Commission de Surveillance du Secteur Financier* (the 'CSSF') in Luxembourg in its capacity as competent authority under the Luxembourg Act dated 10th July, 2005, (2) the Financial Services Authority in the United Kingdom as competent authority under the Financial Services and Markets Act 2000, and (3) the Irish Financial Services Regulatory Authority in Ireland as competent authority under the Prospectus Directive, in each case, (i) a copy of this Base Prospectus and (ii) a certificate of approval pursuant to Article 18 of the Prospectus Directive attesting that the Base Prospectus has been drawn up in accordance with national law implementing the Prospectus Directive.

The Issuer may agree with the relevant Dealer that Securities may be issued in a form not contemplated by the Terms and Conditions of the Securities set out herein, in which case a supplementary Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Securities.

Arranger and Dealer  
ABN AMRO

*The Issuer (the 'Responsible Person') accepts responsibility for the information contained in this Base Prospectus other than (i) information in respect of The Royal Bank of Scotland plc ('RBS') contained in the section "Summary of the Programme and Terms and Conditions of the Securities" and (ii) any information contained in the Prospectus of RBS dated 14 May, 2008 in respect of its US\$50,000,000,000 Structured Note Programme, as supplemented by the supplementary prospectuses dated 20 June 2008 and 8 July 2008 which are incorporated by reference herein (the 'RBS Prospectus', and both (i) and (ii), 'RBS information'). To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information other than any RBS 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. RBS accepts responsibility for the RBS information and to the best of the knowledge of RBS (which has taken all reasonable care to ensure that such is the case), the RBS 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. The applicable Final Terms will (if applicable) contain information relating to any underlying equity security, index, debt security, commodity, share, exchange rate or other item(s) (each a 'Reference Item') to which the relevant Securities relate and which is contained in such Final Terms. However, unless otherwise expressly stated in a Final Terms, any information contained therein relating to a Reference Item will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the Issuer, owner or sponsor, as the case may be, of such Reference Item. The Issuer will, unless otherwise expressly stated in the applicable Final Terms, confirm that such extracts or summaries have been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the Issuer, owner or sponsor, as the case may be, of such Reference Item, no facts have been omitted that would render the reproduced inaccurate or misleading. The terms and conditions which are applicable to each Tranche of Securities will be set forth in part A of a final terms supplement (the 'Final Terms') which, with respect to Securities to be listed on Euronext Amsterdam, will be delivered to Euronext Amsterdam on or before the date of issue of the Securities of such Tranche. There can be no assurance that the Securities offered as described in this Base Prospectus will be sold or that there will be a secondary market for the Securities. See "Risk Factors" below.*

*The Programme provides that Securities may be listed on such other or further stock exchange or stock exchanges as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Securities.*

*If the terms of the Programme are modified or amended in a manner which would make the Base Prospectus, as supplemented, inaccurate or misleading, a new Base Prospectus will be prepared.*

*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' below). This Base Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of this Base Prospectus.*

*No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus including the Summary herein, the applicable Final Terms or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any Dealer.*

*Neither this Base Prospectus nor any other information supplied in connection with the Programme should be considered as a recommendation by the Issuer or any Dealer that any recipient of this Base Prospectus, the applicable Final Terms or any other information supplied in connection with the Programme should purchase any Securities. Accordingly, no representation, warranty or undertaking, express or implied, is made by any Dealer in its capacity as such. Each investor contemplating purchasing any Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer or any Dealer to any person to subscribe for or to purchase any Securities.*

*The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. No Dealer expressly undertakes to review the financial condition or affairs of the Issuer*

during the life of the Programme. Investors should review, inter alia, the most recent financial statements of the Issuer when deciding whether or not to purchase any Securities.

*The Issuer, the Arranger and any Dealer do not represent that this Base Prospectus may be lawfully distributed, or that Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger or any Dealer appointed under the Programme which is intended to permit a public offering of the Securities or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, the Securities may not be offered or sold, directly or indirectly, and neither this Base Prospectus, the applicable Final Terms nor any advertisement or other offering material may be distributed or published in any jurisdiction where such distribution and/or publication would be prohibited and each Dealer (if any) will be required to represent that all offers and sales by it will be made on these terms.*

*The distribution of this Base Prospectus and the offer or sale of Securities may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus or any Securities come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Securities in the European Economic Area and the United States (see “Subscription and Sale” below).*

***The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the ‘Securities Act’), or with any securities regulatory authority of any state or other jurisdiction of the United States, and certain of the Securities are subject to U.S. tax law requirements. Subject to certain exceptions, Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (‘U.S. persons’) as defined in Regulation S under the Securities Act (‘Regulation S’) (see “Subscription and Sale” below).***

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Securities in reliance upon Regulation S outside the United States to non-U.S. persons and, with respect to Securities in registered form only, within the United States (1) in reliance upon Rule 144A under the Securities Act (‘Rule 144A’) to qualified institutional buyers within the meaning of Rule 144A (‘QIBs’) or (2) to institutional accredited investors (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act (‘Institutional Accredited Investors’) pursuant to Section 4(2) of the Securities Act or in transactions otherwise exempt from registration. Prospective purchasers are hereby notified that sellers of the Securities may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

## **NOTICE TO NEW HAMPSHIRE RESIDENTS**

**NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES 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.**

Unless otherwise provided with respect to a particular Series of Registered Securities (as defined below), Registered Securities of each Tranche of such Series sold outside the United States in reliance on Regulation S will be represented by a permanent global security in registered form, without interest coupons (a ‘Regulation S Global Security’), deposited with Citibank, N.A. as custodian for, and registered in the name of Cede & Co. as

nominee of, The Depository Trust Company ('DTC') for the accounts of Euroclear Bank S.A./N.V. as operator of the Euroclear system ('Euroclear') and Clearstream Banking, société anonyme ('Clearstream, Luxembourg'). With respect to all offers or sales by a Dealer of an unsold allotment or subscription and in any case prior to the expiry of the period that ends 40 days after the later of the date of issue and completion of the distribution of each Tranche of Securities, as certified by the relevant Dealer, in the case of a non-syndicated issue, or the lead manager, in the case of a syndicated issue (the 'Distribution Compliance Period'), beneficial interests in a Regulation S Global Security may not be offered or sold to, or for the account or benefit of, a U.S. person (save as otherwise provided in the Conditions) and may be held only through Euroclear and Clearstream, Luxembourg. Registered Securities of each Tranche sold in private transactions to QIBs pursuant to Rule 144A will be represented by a restricted permanent global security in registered form, without interest coupons (a 'Restricted Global Security' and, together with a Regulation S Global Security, 'Registered Global Securities'), deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC. Registered Securities of each Tranche sold within the United States to Institutional Accredited Investors in reliance upon Section 4(2) of the Securities Act will be issued in definitive registered form without interest coupons (a 'Definitive Registered Security'), registered in the name of the holder thereof. Definitive Registered Securities will, at the request of the holder (save to the extent otherwise indicated in the applicable Final Terms), be issued in exchange for interests in a Registered Global Security upon compliance with the procedures for exchange as described in 'Form of the Securities' below.

Each Tranche of Bearer Securities (as defined below) will initially be represented by a temporary global Security (a 'Temporary Global Security') or a permanent global Security without Receipts, Coupons or Talons (as defined below) (a 'Permanent Global Security'), as specified in the applicable Final Terms, which will be deposited on the issue date thereof with a common depository on behalf of Euroclear and Clearstream, Luxembourg and/or any other clearance system. Beneficial interests in a Temporary Global Security will be exchangeable either for beneficial interests in a Permanent Global Security or for definitive Bearer Securities upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations and thereafter any Permanent Global Security may be exchanged for definitive Bearer Securities (save to the extent otherwise indicated in the applicable Final Terms), in each case in accordance with the procedure and in the limited circumstances described in 'Form of the Securities' below. For further details of clearing and settlement of the Securities issued under the Programme see 'Book-Entry Clearance Systems' below.

All references in this document to 'U.S. dollars', 'U.S.\$' and '\$' refer to United States dollars, those to 'yen' and '¥' refer to Japanese yen, those to 'Sterling' refer to pounds sterling, those to 'CHF' refer to Swiss francs, and those to 'euro' and '€' refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

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In connection with the issue and distribution of any Tranche of Securities, the Dealer (if any) named as the stabilising manager in the applicable Final Terms or any person acting for him may over-allot Securities (provided that, in the case of any Tranche of Securities to be admitted to trading on a regulated market in the European Economic Area, the aggregate nominal amount of Securities allotted does not exceed 105 per cent. of the aggregate nominal amount of the relevant Tranche) or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might not otherwise prevail. However, there may be no obligation on the stabilising manager or any agent of his to do this. Such stabilising action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Securities is made and, if begun, may be discontinued at any time and will in any event be discontinued 30 days after the issue date of the relevant Securities or, if earlier, 60 days after the date of the allotment of the relevant Tranche of Securities. Such stabilising shall be in compliance with all applicable laws and regulations.

## **SUMMARY OF THE PROGRAMME AND TERMS AND CONDITIONS OF THE SECURITIES**

The following summary must be read as an introduction to this Base Prospectus and any decision to invest in the Securities should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area (an 'EEA state') no civil liability will attach to the Responsible Person in any such Member State in respect of this Summary, including any translation hereof, unless 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 an EEA State, the plaintiff may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. This summary does not purport to be complete and is taken from, and is qualified by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Securities, the applicable Final Terms. Words and expressions defined in "Form of the Securities" and "Terms and Conditions of the Securities" below shall have the same meanings in this summary.

Issuer:	ABN AMRO Bank N.V. whether acting through its head office or a specified branch outside The Netherlands.
History and Development:	<p>The Issuer is a subsidiary of ABN AMRO Holding N.V. ("Holding"). Holding's is a public limited liability company incorporated under Dutch law on 30 May 1990 with registered offices in Amsterdam, The Netherlands. The main address is Gustav Mahlerlaan 10, 1082 PP Amsterdam, with a mailing address in The Netherlands at Post Office Box 283, 1000 EA Amsterdam.</p> <p>On 17 October 2007 RFS Holdings B.V., a company whose shares are held by The Royal Bank of Scotland Group plc ("RBS"), Banco Santander S.A. ("Santander"), Fortis N.V. and Fortis SA/N.V. ("Fortis") acquired 85.6% of ABN AMRO Holding N.V. Through subsequent purchases RFS Holdings B.V. increased its stake in ABN AMRO Holding N.V. and its consolidated subsidiaries ("ABN AMRO") to 99.3% as at 31 December 2007. RFS Holdings B.V. is controlled by RBS, which is incorporated in the U.K. and registered at 36 St. Andrew Square, Edinburgh, Scotland. As from 17 October 2007 The Royal Bank of Scotland Group plc is the ultimate parent company of ABN AMRO Holding N.V.</p> <p>Holding's consolidated financial statements include condensed financial information with respect to ABN AMRO Bank N.V. (the "Bank"), which itself had total assets of €1,025 billion as of 31 December 2007.</p>
Plans and proposals:	<p>Following the completion of the acquisition, RBS, Fortis and Santander (the "Consortium Banks") have worked closely with the management of ABN AMRO to verify and expand the information received from, and assumptions made on the basis of, the limited due diligence access granted to them before announcement of the offers.</p> <p>In December 2007, the Consortium Banks agreed and validated a base-line plan for achieving synergies and for separating and transferring the ABN AMRO businesses to the respective banks. The businesses to be acquired by each of the Consortium Banks and in which each have an interest through their share holdings in RFS Holdings B.V. equal to their funding requirements, are:</p>

RBS: Business Unit North America, Business Unit Global Clients (excluding Latin America) and Dutch wholesale clients and wholesale clients in Latin America (excluding Brazil), Business Unit Asia (excluding interest in Saudi Hollandi Bank) and Business Unit Europe (excluding Antonveneta).

Fortis: Business Unit Netherlands (excluding former Dutch wholesale clients), Business Unit Private Clients (excluding Latin America) and Business Unit Asset Management. The European Commission has cleared the acquisition of certain businesses of ABN AMRO by Fortis, on the condition that certain specified businesses were divested. The businesses identified for disposal are the Hollandsche Bank Unie N.V., 13 advisory branches and two Corporate Client Departments as well as the sale of the Dutch factoring company IFN Finance B.V. Fortis can only acquire control over ABN AMRO's Business Unit Netherlands and Business Unit Private Clients after divesting these assets to a suitable purchaser.

Santander: Business Unit Latin America (excluding wholesale clients outside Brazil), Antonveneta, Asset Management Antonveneta and Private Clients business in Latin America. On 8 November 2007 Santander announced it had reached an agreement with Banco Monte dei Paschi di Siena with respect to the sale of Antonveneta.

Furthermore the Consortium Banks participate proportionally to their funding commitment in the shared assets which include: central functions including Head Office functions, the private equity portfolio, ABN AMRO Group's investment in Saudi Hollandi Bank, the central investment portfolio and debt issuances. During the reorganisation, the Consortium Banks will retain a shared economic interest in all central functions (including Head Office functions) that provide support to the ABN AMRO businesses. The non-core assets are expected to be disposed of over a period of time with a view to maximising their value.

This transition plan forms the basis for continued consultation with employee representative bodies and regulators. The plan for separating and transferring the ABN AMRO businesses to the Consortium Banks was submitted to the Dutch Central Bank and Central Works Council for review in mid December and was neutrally advised by the Central Works Council on 14 February 2008 and approved by the Dutch Central Bank on 10 March 2008. Now that the approvals have been received, the implementation of the plan can begin.

Different parts of ABN AMRO will separate and integrate at different times. The precise timing of the separation of the businesses will depend on a range of factors, including the complexity of the separation task. For more complex separation processes, where the businesses are closely interlinked with the ABN AMRO Group systems and platforms, (such as within the BU Netherlands), separation and integration is expected to take some time; in contrast other less complicated separations will move relatively quickly. In each case the pace of the separation process will aim to accommodate the need for clarity among employees while also maintaining the appropriate level of service to ABN AMRO's clients.

The Consortium Banks are in the process of agreeing on the ownership of the debt issued and/or guaranteed by ABN AMRO. Upon the finalisation of this agreement, the impact, if any, on the debt issuances will be communicated.

Our Business:

The following organisational structure was adopted in January 2006. This structure was used by the Consortium Banks to divide the activities amongst each other:

Holding's Group structure comprises:

- seven client BUs
- three global product BUs
- two cross-BU segments
- Group Functions
- Services

The seven client BUs consist of five regional BUs (The Netherlands, Europe North America, Latin America and Asia) and two global client BUs, Private Clients and Global Clients. BU Global Clients overlaps the regional BUs in the segment reporting adopted in 2007.

The three global product BUs (Global Markets, Transaction Banking and Asset Management) support the client BUs by developing and delivering products for all of ABN AMRO's clients globally.

The Commercial Client Segment encompasses all of ABN AMRO's commercial clients. The Commercial Client Segment coordinates activities across the Client and Product BUs, sharing best practice and the overall strategic framework supporting this essential component of the Bank's portfolio.

Group Functions delivers support across the Group in areas ranging from Risk to Finance and from Human Resources to Sustainability.

Services focuses on increasing its operational efficiency through Group-wide consolidation and standardisation.

As from 2008, ABN AMRO will be organised into three units each containing the businesses that will ultimately be transferred to the respective Consortium Banks. A fourth unit will include central functions including the Head Office functions and businesses which are regarded as non-strategic.

Substitution:

Subsequent to the recent developments described above and as part of a restructuring of the ABN AMRO group, in relation to any one or more Series of Securities issued on or after the date of this Base Prospectus. ABN AMRO Bank N.V. may, without the consent of Securityholders be substituted and replaced by The Royal Bank of Scotland plc ('RBS') as the Issuer and, in this case, RBS would assume liability as principal obligor under any such Series of Securities in place of ABN AMRO Bank N.V., as further described in Condition 16 (*Meetings of Securityholders, Modification and Waiver, Substitution*).

RBS:

The Royal Bank of Scotland plc

The Royal Bank of Scotland Group plc (RBSG, together with its subsidiaries, the Group) is the holding company of one of the world's largest banking and financial services groups, with a market capitalisation of £44.4 billion at the end of 2007. Headquartered in Edinburgh, the Group operates in the United Kingdom, the United States and internationally through its two principal subsidiaries, The Royal Bank of Scotland plc (RBS) and National



Westminster Bank Plc (NatWest). Both RBS and NatWest are major UK clearing banks whose origins go back over 275 years. In the United States, the Group's subsidiary Citizens is ranked the ninth-largest commercial banking organisation by deposits as at 31 December 2007. The Group has a large and diversified customer base and provides a wide range of products and services to personal, commercial and large corporate and institutional customers.

The Group's operations are conducted principally through RBS and its subsidiaries (including NatWest) other than ABN AMRO businesses and the general insurance business (primarily Direct Line Group and Churchill Insurance).

The Group had total assets of £1,900.5 billion and owners' equity of £53.0 billion at 31 December 2007. RBS had total assets of £1,115.7 billion and shareholders' equity of £47.7 billion at 31 December 2007. The Group had a total capital ratio of 11.2 per cent. and Tier 1 capital ratio of 7.3 per cent. as at 31 December 2007 on a fully consolidated basis.

On 17 October 2007, RFS Holdings B.V. (RFS Holdings), a company jointly owned by RBSG, Fortis N.V., Fortis SA/NV and Banco Santander S.A.) (the "Consortium Banks") and controlled by RBSG, completed the acquisition of ABN AMRO Holding N.V. (ABN AMRO). RFS Holdings is in the process of implementing an orderly separation of the business units of ABN AMRO with RBS principally retaining ABN AMRO's global wholesale businesses and international retail businesses in Asia and the Middle East. Certain other assets will continue to be shared by the Consortium Banks.

**Risk Factors:**

There are certain factors that may affect the Issuer's ability to fulfil its obligations under Securities issued under the Programme. These are set out under "Risk Factors" below and include (i) factors that may affect the Issuer's ability to fulfil its obligations under Securities and (ii) other risks related to the Securities and market generally. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Securities issued under this Programme. These are set out under "Risk Factors" and include any substitution of the Issuer (see "Substitution" above), the fact that the Securities may not be a suitable investment for all investors, certain risks relating to the structure of particular Series of Securities and certain market risks.

**Description:**

Limited Recourse Programme for the Issuance of Notes and Certificates.

**Arranger:**

ABN AMRO Bank N.V.

**Initial Dealer:**

ABN AMRO Bank N.V.

**Regulatory Matters:**

Each issue of Securities denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "Subscription and Sale" below) including the following restrictions applicable at the date of this Base Prospectus.

**Issuing and Principal Paying Agent:**

Citibank, N.A.

Registrar:	Citigroup Global Markets Deutschland AG & Co. KGaA
Size:	There is no limit on the nominal amount of Securities that may be issued under the Programme and/or the issue proceeds of Securities.
Distribution:	Securities may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer, including, without limitation, Australian dollars, Canadian dollars, Danish kroner, euro, Hong Kong dollars, Japanese yen, New Zealand dollars, pounds sterling, Swedish kronor, Swiss francs and United States dollars.
Maturities/Expiry:	In respect of Securities issued under the Programme, any maturity, subject to applicable laws, regulations and restrictions and subject to a minimum maturity of one month in the case of Notes. Certain Certificates may not have any specified maturity.
Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and in respect of Notes and Certificates issued under the Programme may be issued at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes and Certificates:	<p>Securities may be issued in bearer or in registered form, as specified in the applicable Final Terms. Securities in bearer form will not be exchangeable for Securities in registered form, and Securities in registered form will not be exchangeable for Securities in bearer form. See “Form of the Securities” below.</p> <p>Each Tranche of Bearer Securities will initially be represented by a Temporary Global Security or a Permanent Global Security (as indicated in the applicable Final Terms) which, in each case, will be deposited on the relevant Issue Date with a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and which will be exchangeable, as described therein, for either a Permanent Global Security or definitive Bearer Securities (subject to such restrictions as are contained in the relevant Global Security and summarised below). Temporary Global Securities will be exchanged not earlier than 40 days after their issue only upon certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations. Permanent Global Securities will be exchanged, unless otherwise specified in the applicable Final Terms, only upon the occurrence of an ‘Exchange Event’ (as described in “Form of the Securities” below) in whole but not in part for definitive Bearer Securities, with, where applicable, Receipts, Coupons and Talons attached. Any interest in a Temporary Global Security or Permanent Global Security will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or any other agreed clearing system, as appropriate.</p> <p>Each Tranche of Registered Securities which is sold outside the United States in reliance on Regulation S will, unless otherwise specified in the applicable Final Terms, be represented by a Regulation S Global Security which will be deposited with a custodian for, and registered in the name of Cede &amp; Co. as nominee of, DTC on its Issue Date (as defined below) for the accounts of Euroclear and Clearstream, Luxembourg. With respect to all offers or sales by a Dealer of an unsold allotment or subscription and in any</p>

case prior to the expiry of the Distribution Compliance Period, beneficial interests in a Regulation S Global Security of such Tranche may be held only through Clearstream, Luxembourg or Euroclear. After the expiry of the Distribution Compliance Period, beneficial interests in a Regulation S Global Security may be held through DTC directly by a participant in DTC or indirectly through a participant in DTC. Regulation S Global Securities will be exchangeable for Definitive Registered Securities only in the limited circumstances as more fully described herein.

Securities of any Registered Series sold to QIBs in reliance on Rule 144A or in a transaction otherwise exempt from registration under the Securities Act and subject to the transfer restrictions in “Notice to Purchasers and Holders of Restricted Securities and Transfer Restrictions” will, unless otherwise specified in the applicable Final Terms, be represented by a Restricted Global Security, which will be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC on its Issue Date.

Securities initially offered and sold in the United States to Institutional Accredited Investors pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act and subject to the transfer restrictions described in “Notice to Purchasers and Holders of Restricted Securities and Transfer Restrictions”, will be issued only in definitive registered form and will not be represented by a global Security.

Persons holding beneficial interests in Registered Global Securities will be entitled or required, as the case may be, under the circumstances described in Condition 2 of the Terms and Conditions of the Securities, to receive physical delivery of Definitive Registered Securities.

Limited Recourse:

Payments of principal and interest and other obligations of the Issuer in respect of any Series of Securities may be restricted upon the occurrence of any Constraint Event specified in the applicable Final Terms. Constraint Events may relate to the imposition of currency or foreign exchange controls in any specified country, a nationalisation, a hedging disruption, a credit rating downgrade in relation to a specified obligation or any other circumstance as provided in the applicable Final Terms. **The term “limited recourse” should not be taken to imply that any trustee is appointed for Securityholders or any security granted in respect of the Securities.**

The Terms and Conditions of the Securities provide that if the Calculation Agent determines that a Constraint Event has occurred or exists at any relevant time, the Issuer in its sole and absolute discretion may:

- (i) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the Terms and Conditions to account for such Constraint Event; or
- (ii) if specified in the applicable Final Terms, redeem all, but not some only, of the Securities; or
- (iii) otherwise designate the Securities as Suspended Securities. In this case the Issuer shall have no obligation to make any payment or perform any other obligation in respect of the Securities while the Securities are Suspended Securities and any such payment or other performance shall be postponed for so long as the Constraint Event

continues to exist provided that if the relevant Constraint Event continues to exist for a period of two years, the Suspended Securities shall expire worthless and shall be cancelled by the Issuer in which case all obligations of the Issuer to the Securityholders in respect of the Securities shall be discharged and the Securityholders shall have no further recourse to the Issuer in respect of the Securities.

Any payment or delivery by the Issuer or any cancellation of the Securities as described above will constitute full and final settlement of the obligations of the Issuer with respect to the Securities, and Securityholders shall have no claim in respect of any amounts or deliveries which would, but for the operation of the terms above, have been payable in respect of the Securities.

Credit Linked Securities: Securities with respect to which payment of principal and/or interest is linked to the credit of a specified entity or entities will be issued on such terms as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms).

If Conditions to Settlement are satisfied during the Notice Delivery Period, the Issuer will redeem the Securities at the Credit Event Redemption Amount, if Cash Settlement is specified in the applicable Final Terms, or by delivery of the Asset Amount, if Physical Delivery is specified in the applicable Final Terms, all subject to and as more fully set out in the Terms and Conditions of the Securities.

Fixed Rate Notes: Fixed interest will be payable on the date or dates specified in the applicable Final Terms and on redemption and will be calculated on the basis of the Day Count Fraction specified in the applicable Final Terms.

Floating Rate Notes: Floating Rate Notes will bear interest either at a rate determined 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 Notes of the relevant Series) or on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service or on such other basis as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Final Terms).

The Margin (if any) relating to such floating rate will be specified in the applicable Final Terms.

Index Linked Notes: Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree.

Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes: Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as selected prior to issue by the Issuer and the relevant Dealer, will be payable on the Interest Payment Dates specified in, or determined pursuant to, the applicable Final Terms and will be calculated on the Day Count Fraction indicated in the applicable Final Terms.

Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the applicable Final Terms.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	<p>The applicable Final Terms will indicate either that the Securities cannot be redeemed prior to their stated maturity (other than in specified instalments (see below), if applicable, or for taxation reasons, following an illegality or following a Constraint Event or, in certain circumstances, in connection with Credit Linked Securities or following an Event of Default or otherwise in accordance with the Terms and Conditions) or that such Securities will be redeemable at the option of the Issuer and/or the Securityholders upon giving not less than 15 nor more than 30 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms and provided that in the case of a redemption by the Issuer, such notice period shall be at least five Business Days, and in the case of a redemption by a Securityholder, such notice period shall be at least 15 Business Days) to the Securityholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms.</p> <p>The applicable Final Terms may provide that Notes may be repayable in two or more instalments of such amounts and on such dates as indicated in it.</p>
Denomination of Securities:	<p>Securities will be issued in such denominations as may be specified in the applicable Final Terms, save that the minimum denomination of each Security sold to Institutional Accredited Investors will be U.S.\$500,000 (or the equivalent in the relevant Specified Currency as determined by the Principal Paying Agent on the Issue Date (as defined below)). In addition, Securities may have such other minimum denomination as may be required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.</p> <p>The minimum denomination of each Security admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €50,000 (or, if the Securities are denominated in a currency other than euro, the equivalent amount in such currency).</p>
Taxation:	Payments in respect of the Securities will as specified in the applicable Final Terms be made either subject to, or without, withholding or deduction for or on account of taxes levied (if any) in The Netherlands or any relevant Tax Jurisdiction subject to certain exceptions as provided in Condition 9 of the Terms and Conditions of the Securities. If the applicable Final Terms relating to a Series of Securities provides that payments are to be made subject to withholding or deduction for or on account of taxes levied in The Netherlands or any relevant Tax Jurisdiction (if any), it will also specify that Condition 6(b) of the Terms and Conditions of the Securities will not apply to the Securities.
Negative Pledge:	None.

Cross Default:	None.
Status of the Securities:	The Securities will constitute unsecured and unsubordinated obligations of the Issuer and will rank <i>pari passu</i> without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer save for those preferred by mandatory provisions of law.
Rating:	The rating of certain Series of Securities to be issued under the Programme may be specified in the applicable Final Terms.
Listing:	Application may be made to Euronext Amsterdam for the Securities to be issued under the Programme to be listed on Euronext Amsterdam. The Securities may also be listed on such other or further stock exchange or stock exchanges as may be agreed between the Issuer and the relevant Dealer in relation to each issue. Unlisted Securities may also be issued. The applicable Final Terms will state whether or not the Securities are to be listed and, if so, on which stock exchange or stock exchanges.
Governing Law:	The Securities will be governed by, and construed in accordance with, English law.
Selling Restrictions:	There are selling restrictions in relation to the European Economic Area and the United States, and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Securities. See “Subscription and Sale” below.

## **RISK FACTORS**

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Securities 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 Securities issued under the Programme are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Securities issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts or perform other obligations on or in connection with any Securities may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

*Before making an investment decision with respect to any Securities, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Securities and consider such an investment decision in the light of the prospective investor's personal circumstances.*

*Words and expressions defined in the sections headed "Form of the Securities" and "Terms and Conditions of the Securities" below shall have the same meaning in this section.*

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

Each potential investor in the Securities should refer to the Risk Factors section of the Registration Document for a description of those factors which may affect the Issuer's ability to fulfil its obligations under Securities issued under the Programme.

If a substitution (a "Substitution") of the Issuer takes place in respect of one or more Series of Securities (whereby The Royal Bank of Scotland plc ('RBS') replaces ABN AMRO Bank N.V. as Issuer pursuant to Condition 16 (Meetings of Securityholders, Modification and Waiver, Substitution)), there are factors which may affect RBS's ability to fulfil its obligations under the relevant Securities issued under the Programme. For an indication of such factors, potential investors in the Securities should refer to the Risk Factors section of the RBS Prospectus under "Risk Factors relating to the Issuer".

Certain Credit Linked Securities involve the determination of certain values by reference to one or more Notional Credit Default Swaps in relation to the relevant Reference Entity(ies) and a notional currency and/or interest swap agreement. In addition, for such Credit Linked Securities the effect of the credit event may be either positive or negative depending on whether the relevant Reference Entity is a "long" entity or a "short" entity. Investors should note that the determination of values by reference to the above notional swap agreements may have a significant effect on the return in respect of the relevant Credit Linked Securities. An investor should ensure they have reviewed fully and understand the procedures and methodology for determination of the relevant values.

In addition certain Credit Linked Securities may include "Trigger Event" provisions which allow early redemption of the Securities if a Trigger Event occurs. This may happen where values of certain Notional Credit Default Swap(s) and/or the cost of obtaining credit protection, in each case in relation to the relevant Reference Entity(ies) fulfil certain conditions. In addition, certain Credit Linked Securities may include a reference to Notional Credit Default Swap(s) in relation to which Leverage applies. If this is the case then the effect of a deterioration or an improvement in the creditworthiness of the relevant Reference Obligation or the occurrence of a credit event may be significantly greater than would otherwise be the case and this may have a

correspondingly significant effect on relevant amounts payable under the Securities. Investors should ensure they have fully reviewed and understood the provisions for these types of Credit Linked Securities.

#### **Factors relating to a Substitution**

As a result of a Substitution, if any, a Securityholder will be subject to different risks in relation to RBS as the new Issuer assuming obligations of ABN AMRO Bank N.V. under the Securities. Such risks may include the credit risks of RBS, certain modifications being made to the terms and conditions of the relevant Securities (for example, a change of Tax Jurisdiction in respect of the Securities on the basis that RBS is incorporated in the United Kingdom) and other risks specific to RBS. Securityholders will no longer have any claim or recourse against ABN AMRO Bank N.V. as primary obligor following a Substitution. Investors should note that should the Issuer elect to exercise its substitution right in accordance with Condition 16 (*Meetings of Securityholders, Modification and Waiver, Substitution*), no consent of Securityholders will be required. However, no assurance (express or implied) is given that any Substitution will occur in respect of any Series of Securities (or it may occur for some Series but not others). Any Substitution is subject to the consent of RBS and if no Substitution occurs Securityholders will have no rights against RBS.

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

*The Securities may not be a suitable investment for all investors*

Each potential investor in the Securities 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 Securities, the merits and risks of investing in the Securities 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 Securities and the impact the Securities 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 Securities, including Securities 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;
- (d) understand thoroughly the terms of the Securities 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 Securities 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 Securities which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio.

#### *Risks related to the structure of a particular issue of Securities*

A wide range of Securities may be issued under the Programme. A number of these Securities may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:



### *Securities subject to optional redemption by the Issuer*

An optional redemption feature of Securities is likely to limit their market value. During any period when the Issuer may elect to redeem Securities, the market value of those Securities 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 Securities when its cost of borrowing is lower than the interest rate or rate of return on the Securities. 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 or rate of return on the Securities 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.

### *Index Linked Notes, Dual Currency Notes and other structured Securities*

The Issuer may issue Securities including Index Linked Notes and Dual Currency 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 other factors (each, a ‘**Relevant Factor**’). In addition, the Issuer may issue Securities with principal or interest payable in one or more currencies which may be different from the currency in which the Securities are denominated. Prospective investors should be aware that:

- (a) the market price of such Securities may be very volatile;
- (b) they may receive no interest;
- (c) payment of principal or interest may occur at a different time or in a different currency than expected;
- (d) they may lose all or a substantial portion of their principal;
- (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 Securities 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 likely will be magnified; and
- (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.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

### *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 his 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, their market values may be even more volatile than those for securities that do not include those features.

### *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.

#### *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.

#### *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.

#### *Constraint Events*

Payments of principal and interest or other obligations of the Issuer in respect of any Series of Securities may be restricted upon the occurrence of any Constraint Event described in the applicable Final Terms. A Constraint Event may relate to the imposition of currency or exchange controls in any specified country or to a nationalisation, a hedging disruption, a credit rating downgrade in relation to a specified obligation or any other circumstance as provided in the applicable Final Terms. Following a Constraint Event, the Issuer shall be entitled to require the Calculation Agent to adjust the Securities or to early redeem the Securities or to postpone payments or deliveries in respect of the Securities so long as the Constraint Event continues provided that if the Constraint Event continues for a period of two years the Securities shall expire worthless and shall be cancelled.

#### *Credit Linked Securities*

In the event of the occurrence of certain circumstances (which may include, amongst other things, Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring) in relation to a Reference Entity or Reference Entities, in each case, as specified in the applicable Final Terms the Issuer's obligation to pay principal or perform other obligations under the Securities may be replaced by an obligation to pay other amounts calculated by reference to the value of the Reference Item(s) and/or to deliver the Reference Item(s). In addition interest bearing Credit Linked Notes may cease to bear interest on or prior to the date of occurrence of such circumstances. The Issuer may issue Credit Linked Securities linked to the performance of two or more Reference Entities where the Issuer's obligation to pay principal or perform other obligations under the Securities may be replaced by an obligation to pay other amounts calculated by reference to the value of the Reference Item(s) and/or deliver the Reference Item(s), in each case, in relation to the first Reference Entity in respect of which a Credit Event has occurred ('First to Default Credit Linked Securities'). The Issuer may issue Credit Linked Securities linked to the performance of a portfolio of Reference Entities where the amount of principal and interest (if any) payable by the Issuer pursuant to such Credit Linked Securities is dependent on whether a Credit Event in respect of one or more Reference Entities has occurred ('Portfolio Credit Linked Securities').

The Issuer's obligations in respect of Credit-Linked Securities 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.

### *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 an investor, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Securities that may influence the amount receivable or specified assets deliverable on redemption of the Securities.

The Issuer and any Dealer may at the date hereof or at any time hereafter, be in possession of information in relation to a Relevant Factor that is or may be material in the context of the Securities and may or may not be publicly available to investors. There is no obligation on the Issuer or any Dealer to disclose to investors any such information.

In addition, in relation to any Credit Linked Securities, the Issuer and each ABN AMRO Group company may deal in and accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking activities or other business, including any derivatives business (howsoever defined), with any of the Reference Entities or any of their subsidiaries or affiliates or any other person or entity having obligations relating to any of the Reference Entities and may act with respect to such activities or business without being accountable to any investor in the Securities in the same manner as if the Securities did not exist, regardless of whether any such action might have an adverse effect (including, without limitation, any action which might constitute or give rise to any breach, event of default, credit event or termination event) on any of the Reference Entities or any investor in the Securities.

### ***Risks related to Securities generally***

Set out below is a brief description of certain risks relating to the Securities generally:

#### *Modification, waivers and substitution*

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

The conditions of the Securities also provide that the Agent may, without the consent of Securityholders, agree to (a) any modification (not being a modification requiring the approval of a meeting of Securityholders) of any of the provisions of Securities which is not materially prejudicial to the interests of the Securityholders or (b) any modification of the Securities which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of law.

#### *EU Savings Tax Directive*

If, following implementation of the Directive on the taxation of savings income (see “Taxation – EU Savings Tax Directive” below), 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 nor any other person would be obliged to pay additional amounts with respect to any Security as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

#### *Tax consequences of holding the Notes*

Potential investors should consider the tax consequences of investing in the Securities and consult their tax adviser about their own tax situation. See also “Taxation”.

#### *Base Prospectus to be read together with applicable Final Terms*

The terms and conditions of the Securities included in this Base Prospectus apply to the different types of Securities which may be issued under the Programme. The full terms and conditions applicable to each Tranche of Securities should be reviewed by reading the Terms and Conditions as set out in full in this Base Prospectus in the section headed “Terms and Conditions of the Securities”, which constitute the basis of all Securities to be offered under the Programme, together with the relevant Final Terms which apply and/or disapply, supplement and/or amend the Terms and Conditions in the manner required to reflect the particular terms and conditions applicable to the relevant Series of Securities (or Tranche thereof).

#### *Change of law and jurisdiction*

The conditions of the Securities are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

#### *Notes where denominations involve integral multiples: definitive Notes:*

In relation to any issue of 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 holder 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 Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

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

### ***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 risk:

#### *The secondary market generally*

Securities 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 Securities easily or at prices that will provide them with a yield or return comparable to similar investments that have a developed secondary market. This is particularly the case for Securities 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 Securities generally would have a more limited secondary market and more price volatility than conventional securities. Illiquidity may have a severely adverse effect on the market value of Securities.

#### *Exchange rate risks and exchange controls*

The Issuer will pay principal and any interest on the Securities in the Specified Currency. 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 or return on the Securities, (b) the Investor's Currency-equivalent value of the principal payable on the Securities and (c) the Investor's Currency-equivalent market value of the Securities.

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.

#### *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 Securities. 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 Securities. 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) Securities are legal investments for it, (b) Securities can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the Competent Authority shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

- (a) ABN AMRO Holding N.V.'s publicly available consolidated audited annual financial statements for the years ended 31st December, 2006 and 31st December, 2007;
- (b) ABN AMRO Holding N.V.'s unaudited consolidated interim financial statements for the three months ended 31st March, 30th June and 30th September, 2007, and for the year ended 31st December, 2007;
- (c) the Issuer's registration document dated 27 June, 2008 (the 'Registration Document') prepared in accordance with Article 5(3) of the Prospectus Directive; and
- (d) pages 13 to 18, 28 and 166 to 171 of the Prospectus of The Royal Bank of Scotland plc dated 14 May, 2008 in respect of its US\$50,000,000,000 Structured Note Programme (the "RBS Prospectus") prepared in accordance with Article 5(4) of the Prospectus Directive and the supplementary prospectuses dated 20 June 2008 and 8 July 2008 prepared in accordance with Article 16 of the Prospectus Directive.

Copies of the documents incorporated by reference in this Base Prospectus can be obtained from the Issuer and Paying Agents.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to the information included in this Base Prospectus which is capable of affecting the assessment of any Securities, prepare a supplement to this Base Prospectus or publish a new base prospectus for use in connection with any subsequent issue of Securities. If the terms of this Programme are modified or amended in a manner which would make this Base Prospectus, as supplemented, inaccurate or misleading, a new base prospectus will be prepared.

This Base Prospectus and any supplement will be valid for listing Securities on Euronext Amsterdam and/or any other stock exchange.

## **AVAILABLE INFORMATION**

To permit compliance with Rule 144A under the Securities Act in connection with sales or other transfers of any Securities, Receipts (as defined below) or Coupons (as defined below) that are ‘restricted securities’ within the meaning of Rule 144 under the Securities Act, the Issuer has undertaken in a deed poll dated 11th January, 2006 to furnish, upon the request of a holder of Securities, Receipts or Coupons, or a beneficial owner of an interest therein, to such holder or beneficial owner or to a prospective purchaser designated by such holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the Securities Act, if at the time of the request, the Issuer is neither a reporting company under Section 13 or Section 15(d) of the United States Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act.

## FORM OF THE SECURITIES

Each Series of Securities will be in bearer or registered form.

Unless otherwise provided with respect to a particular Series of Registered Securities, the Registered Securities of each Tranche of such Series offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a Regulation S Global Security which will be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC for the accounts of Euroclear and Clearstream, Luxembourg. With respect to all offers or sales by a Dealer of an unsold allotment or subscription and in any case prior to expiry of the Distribution Compliance Period applicable to each Tranche of Securities, beneficial interests in a Regulation S Global Security may not be offered or sold to, or held for the account or benefit of, a U.S. person (save as otherwise provided in Condition 2 of the Terms and Conditions of the Securities) and may not be held otherwise than through Euroclear or Clearstream, Luxembourg. Regulation S Global Securities will be exchangeable for Definitive Registered Securities only in the limited circumstances as more fully described herein. Terms used in this paragraph shall have meanings given to them by Regulation S.

Registered Securities of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions (i) to QIBs or (ii) to Institutional Accredited Investors who agree to purchase the Securities for their own account and not with a view to the distribution thereof.

The Registered Securities of each Tranche sold to QIBs will be represented by a Restricted Global Security, which will be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC. Persons holding beneficial interests in Registered Global Securities will be entitled or required, as the case may be, under the circumstances described in Condition 2 of the Terms and Conditions of the Securities, to receive physical delivery of Definitive Registered Securities.

The Registered Securities of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof. Such Definitive Registered Securities issued to Institutional Accredited Investors and any Restricted Global Securities will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal in respect of the Registered Securities will, in the absence of any provision to the contrary, be made to the persons shown on the register at the close of business on the business day immediately prior to the relevant payment or delivery date. Payments of interest on Registered Securities will be made on the relevant payment date to the person in whose name such Securities are registered on the Record Date (as defined in Condition 5 of the Terms and Conditions of the Securities) immediately preceding such payment date. None of the Issuer, the Principal Paying Agent, any other Paying Agent, the Exchange Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Each Tranche of Bearer Securities will be initially represented by a Temporary Global Security or a Permanent Global Security (as specified in the applicable Final Terms) without receipts, interest coupons or talons, which will:

- (a) in the case that a Global Security is intended to be issued in new global note (“NGN”) form, as stated in the Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safe-keeper for Euroclear and Clearstream, Luxembourg; or
- (b) in the case that a Global Security is not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depository for Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Security is represented by a Temporary Global Security, payments of principal and interest (if any) due prior to the expiry of 40 days after its issue will be made (against presentation of the Temporary Global Security if the Temporary Global Security is not intended to be issued in NGN form) only to the extent that



certification (in a form to be provided) to the effect that the beneficial owners of interests in such Security are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg, as applicable, and each of Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On the expiry of such 40-day period (the 'Exchange Date'), interests in such Temporary Global Security will be exchangeable (free of charge) upon a request as described therein either for interests in a Permanent Global Security without receipts, interest coupons or talons or for definitive Bearer Securities with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Securities, to such notice period as is specified in the applicable Final Terms) in each case against certification of beneficial ownership as described in the second sentence of the immediately preceding paragraph unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Securities. The holder of a Temporary Global Security will not be entitled to collect any payment of interest or principal due on or after the Exchange Date unless upon due certification, exchange of the Temporary Global Security for or interest in a Permanent Global Security or a definitive Bearer Security, as the case may be, is improperly withheld or refused. Each exchange of an interest in a Temporary Global Security for an interest in a Permanent Global Security or definitive Bearer Securities, as the case may be, and each exchange (if any) of an interest in a Permanent Global Security for definitive Bearer Securities, shall be made outside the United States.

Payments of principal and interest (if any) on a Permanent Global Security will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Security if the Permanent Global Security is not intended to be issued in NGN form) without any requirement for certification. Unless otherwise specified in the applicable Final Terms, a Permanent Global Security will be exchanged (free of charge), in whole but not in part for definitive Bearer Securities with, where applicable, receipts, interest coupons and talons attached only upon the occurrence of an Exchange Event as described therein.

'Exchange Event' means (i) an Event of Default (as defined in Condition 11) has occurred and is continuing or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg 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 to permanently cease business or have in fact done so and no alternative clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences as provided for or referred to in Condition 9 which would not be required were the Securities represented by the Permanent Global Security in definitive form. The Issuer will promptly give notice to Securityholders in accordance with the Conditions if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Security) may give notice to the Principal Paying Agent requesting exchange and in the event of the occurrence of an Exchange Event as described in (ii) above, the Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 60 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

Pursuant to the Agency Agreement (as defined in the Conditions) the Principal Paying Agent shall arrange that, where a further Tranche of Securities is issued, the Securities of such Tranche shall be assigned (where applicable) a CUSIP number, a common code and ISIN which are different from the CUSIP number, CINS number, common code and ISIN assigned to Securities of any other Tranche of the same Series until the end of the Distribution Compliance Period. At the end of the Distribution Compliance Period, the CUSIP number, common code and ISIN, as the case may be, thereafter applicable to the Securities of the relevant Series will be notified by the Principal Paying Agent to the relevant Dealer.

All Securities will be issued pursuant to the Agency Agreement.

For so long as any of the Securities is represented by a global Bearer Security deposited with a common depositary or a common safekeeper for Euroclear and Clearstream, Luxembourg each person who is for the time

being shown in the records of Euroclear or of Clearstream, Luxembourg as entitled to a particular nominal amount of Securities (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Securities 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 such nominal amount of such Securities for all purposes other than with respect to the payment of principal or interest on the Securities, for which purpose such common depositary shall be deemed to be the holder of such nominal amount of such Securities in accordance with and subject to the terms of the relevant global Security and the Agency Agreement (and the expression ‘Securityholder’ and related expressions shall be construed accordingly).

So long as DTC or its nominee is the registered owner or holder of a Registered Global Security, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Securities represented by such Registered Global Security for all purposes under the Agency Agreement and such Securities 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.

No beneficial owner of an interest in a Registered Global Security will be able to exchange or transfer that interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case, to the extent applicable.

The following legend will appear on all global Bearer Securities, definitive Bearer Securities, receipts, interest coupons and talons:

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.

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Securities, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Securities, receipts or interest coupons.

Any reference in this section “Form of the Securities” to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Principal Paying Agent.

A Security may be accelerated by the holder thereof in certain circumstances described in Condition 11. In such circumstances where any Security is still represented by a global Security and a holder of such Security so represented and credited to his securities account with Euroclear or Clearstream, Luxembourg or DTC gives notice that it wishes to accelerate such Security, unless within a period of 15 days from the giving of such notice payment has been made in full of the amount due in accordance with the terms of such global Security, such global Security will become void. At the same time, holders of interests in such global Security credited to their accounts with Euroclear or Clearstream, Luxembourg or DTC will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg and/or DTC, on and subject to the terms of a deed of covenant (the ‘Deed of Covenant’) executed by the Issuer dated 11<sup>th</sup> January, 2006. In addition, holders of interests in such global Security credited to their accounts with DTC may require DTC to deliver Definitive Securities in registered form in exchange for their interest in such global Security in accordance with DTC’s standard operating procedures.

## FORMS OF FINAL TERMS FOR SECURITIES

*Set out below are the forms of Final Terms which will be completed for each Tranche of Securities issued under the Programme.*

- (a) **Form of Final Terms for Securities (excluding certain types of Credit Linked Securities covered by (b) below).**

*[Date]*

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriately authorised independent financial adviser.**

**ABN AMRO Bank N.V.**

*(incorporated in The Netherlands with its statutory seat in Amsterdam)*

**Issue of [Aggregate Nominal Amount of Tranche] [Title of the Securities] (the ‘Securities’) under the Limited Recourse Programme for the issuance of Notes and Certificates**

### **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 11 July 2008 which constitutes a base prospectus for the purpose of the Prospectus Directive (Directive 2003/71/EC) (the ‘Prospectus Directive’). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at the registered office of the Issuer, currently at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands and copies may be obtained from the Issuer at that address.

See also Part B as to additional information in relation to the Securities which may include additional risk factors.

*[The following language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus or Prospectus with an earlier date. In the event the Base Prospectus or Prospectus with an earlier date was not approved for the purpose of the Prospectus Directive (as defined below), the Issuer shall publish a supplement to the current Base Prospectus in respect of this increase and such supplement shall be approved by the relevant listing or other competent authority prior to publication.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the ‘Conditions’) as set out in Schedule [ ] to this document. This document constitutes the Final Terms of the Securities 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 [current date] which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions scheduled hereto. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus dated [current date] and the Conditions. Copies of such documents are available for viewing at the registered office of the Issuer, currently at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands and copies may be obtained from the Issuer at that address.

*[Include whichever of the following apply or specify as ‘Not Applicable’(N/A). Note that the numbering should remain as set out below, even if ‘Not Applicable’ is indicated for individual paragraphs or sub-paragraphs.]*

[When adding any other final terms or information consideration should be given as to whether such terms 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. (i) Issuer: ABN AMRO Bank N.V.  
(ii) Type of Securities: [Notes/Certificates]
2. (i) Series Number: [ ]  
(ii) Tranche Number: [ ]  
*(If fungible with an existing Series, details of that Series, including the date on which the Securities become fungible)*
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount:  
– Series: [ ]  
– Tranche: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6. Specified Denominations: [ ]  
*(in the case of Registered Securities, this means the minimum integral Amount in which transfers can be made)*  
*(Note – where multiple denominations above €50,000 or equivalent are being used the following sample wording should be followed unless Securities being issued are in registered form  
"€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Securities in definitive form will be issued with a denomination above [€99,000].")  
(N.B. if an issue of Securities is (i) NOT admitted to trading on a 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 €50,000 minimum denomination is not required.)  
[ ]  
*Calculation Amount*  
*(Applicable to Bearer Notes in definitive form.)*  
*(If only one Specified Denomination, insert the Specified Denomination.*  
  
*If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)**
7. (i) Issue Date: [ ]  
(ii) Interest Commencement Date [ ]  
*(if applicable in the case of Notes):*
8. Maturity Date (in the case of Notes) or Final Settlement Date (in the case of Certificates): [Fixed rate Note – specify date/  
Floating rate Note – Interest Payment Date falling in or nearest to [specify month and year]]  
[Certificates or other Notes – specify date] (the ‘Scheduled Maturity/Settlement Date’), subject to adjustment, if applicable, as provided in the Conditions
9. Interest Basis (only applicable in relation to Notes): [ ] per cent. Fixed Rate]  
[[LIBOR/EURIBOR] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Dual Currency Interest]  
[specify other]  
(further particulars specified below)
10. Redemption/Payment Basis (only applicable in relation to Notes): [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency Redemption]

- [Partly Paid]  
 [Instalment]  
 [specify other]  
*(N.B. If the Final Redemption Amount or Final Settlement Amount is other than 100% of the nominal value the Securities will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*  
 [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
11. Change of Interest Basis or Redemption/Payment Basis (only applicable in relation to Notes):
12. Put/Call Options: [Investor Put]  
 [Issuer Call]  
 [(further particulars specified below)]
13. Status of the Securities: Senior
14. Method of distribution: [Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE IN RELATION TO NOTES**

15. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate(s) of Interest: [ ] per cent. per annum [payable  
 [annually/semi-annually/quarterly] in arrear]  
*(If payable less often than annually, consider amending Condition 4)*
- (ii) Interest Payment Date(s): [[ ] in each year up to and including the Maturity Date]/[Specify other]
- (iii) Fixed Coupon Amount(s): [ ] per Calculation Amount  
 (Applicable to Bearer Notes in definitive form.)
- (iv) Broken Amount(s): [On each Interest Payment Date]  
 (Applicable to Bearer Notes in definitive form.) [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]
- (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or specify other]  
*(NB: if interest is not payable on a regular basis (for example, if there are Broken Amounts specified) Actual/Actual (ICMA) may not be a suitable Day Count Fraction.)*
- (vi) Determination Date(s): [ ] in each year  
*[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]*  
*NB: this will need to be amended in the case of regular interest payment dates which are not of equal duration*  
*NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA)]*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable]  
*(if not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/

	Preceding Business Day Convention [specify other]]
(iii) Additional Business Centre(s):	[ ]
(iv) Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/specify other]
(v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	[ ]
(vi) Screen Rate Determination:	[Yes/No]
–Reference Rate:	[ ] (Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)
–Interest Determination Date(s):	[ ] (Second London business day prior to the start of each Interest Period if LIBOR (other than sterling or euro LIBOR), first day of each Interest Period if sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
–Relevant Screen Page:	[ ] (In the case of EURIBOR, if not Reuters Page EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
(vii) ISDA Determination:	[Yes/No]
–Floating Rate Option:	[ ]
–Designated Maturity:	[ ]
–Reset Date:	[ ]
(viii) Margin(s):	[+/-] [ ] per cent. per annum
(ix) Minimum Rate of Interest:	[ ] per cent. per annum
(x) Maximum Rate of Interest:	[ ] per cent. per annum
(xi) Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 30E/360 30E/360 (ISDA) Other] (See Condition 4 for alternatives)
(xii) Fall-back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[ ]
17. Zero Coupon Note Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i) Accrual Yield:	[ ] per cent. per annum
(ii) Reference Price:	[ ]
(iii) Any other formula/basis of determining amount payable:	[ ]
(iv) Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 6(f)(ii) and (l) apply/specify other] (Consider applicable day count fraction if not U.S. dollar denominated)
18. Index Linked Note Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs

- (i) Index/Formula: *of this paragraph*  
[give or annex details]
- (ii) Calculation Agent: [ ]
- (iii) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): [ ]
- (iv) Provisions for determining coupon where calculation by Reference to Index and/or Formula is impossible or impracticable: *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (v) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ *specify other*]
- (vii) Additional Business Centre(s): [ ]
- (viii) Minimum Rate of Interest: [ ] per cent. per annum
- (ix) Maximum Rate of Interest: [ ] per cent. per annum
- (x) Day Count Fraction: [ ]
19. Dual Currency Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Party, if any, responsible for calculating the principal and/or interest payable: [ ]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (iv) Person at whose option Specified Currency(ies) is/are payable: [ ]

#### **PROVISIONS RELATING TO INTERIM AMOUNTS (IF ANY) PAYABLE IN RELATION TO CERTIFICATES**

20. Interim Amount(s) Payable [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Interim Amount(s): [Specify the Interim Amount per Calculation Amount payable in respect of each Interim Amount Payment Date or the method of calculation of the Interim Amount(s).]
- (ii) Interim Amount Payment Date: [Specify date(s) on which Interim Amount(s) to be paid]
- (iii) Other Terms relating to payment of Interim Amount(s): [None/give details]

#### **PROVISIONS RELATING TO REDEMPTION**

21. Issuer Call [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [ ]
- (b) Maximum Redemption Amount: [ ]

- (iv) Notice period including a minimum number of days' notice for the purpose of Condition 6(d): ☐ [NB not to be less than five Business Days]  
(N.B. When setting notice periods, the Issuer should consider the practicalities of disruption of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent. See further Condition 6(d))  
[Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
22. Investor Put
- (i) Optional Redemption Date(s): ☐
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount: ☐ per Calculation Amount
- (iii) Notice period including a minimum number of days' notice for the purposes of Condition 6(e): ☐ [NB not to be less than 15 Business Days]  
(N.B. When setting notice periods, the Issuer should consider the practicalities of disruption of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)
23. (i) Final Redemption Amount (for Notes): ☐ [ ] per Calculation Amount/specify other/see Appendix]  
(ii) Final Settlement Amount (for Certificates): ☐ [ ] per Calculation Amount/specify other/see Appendix]
- (N.B. If the Final Redemption Amount or Final Settlement Amount is other than 100% of the nominal value the Securities will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
24. Early Redemption Amount payable on redemption for taxation reasons (if Condition 6(b) applies: see paragraph 31 below) or following an illegality or following a Constraint Event (if Condition 7(a)(ii) applies: see paragraph 41(ii) below) or, in the case of Credit Linked Securities, following a Merger Event (if applicable) or an event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(f)):
- The Early Redemption Amount per Calculation Amount is an amount in the Specified Currency calculated by the Calculation Agent equal to the fair market value of such Calculation Amount of the Securities immediately preceding the due date for early redemption taking into account, if applicable, the illegality or Constraint Event, as the case may be, and less a pro rata share of the sum (without duplication) of all costs, expenses (including loss of funding), tax and duties incurred by the Issuer and/or any of its Affiliates in connection with the redemption of the Securities and the related termination, settlement or re-establishment of any hedge or related trading position, all as determined by the Calculation Agent in its sole and absolute discretion by reference to such factor(s) as it may deem appropriate.

## GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

### 25. Form of Securities:

- (i) Form:
- [Bearer Securities: [Not Applicable]/  
Temporary Global Security exchangeable for a  
Permanent Global Security which is exchangeable for  
definitive Bearer Securities [on 60 days' notice given at  
any time/only upon an Exchange Event].  
[Temporary Global Security exchangeable for definitive  
Bearer Securities on and after the Exchange Date.]  
[Permanent Global Security exchangeable for definitive  
Bearer Securities [on 60 days' notice given at any  
time/only upon an Exchange Event]]  
[Registered Securities: [Not Applicable]/



- Regulation S Global Security (U.S.\$[ ] nominal amount)/Restricted Global Security (U.S.\$[ ] nominal amount)/Definitive Registered Securities (*specify nominal amounts*)]  
(*Ensure that this is consistent with the wording in the "Form of the Securities" section in the Base Prospectus and the Securities themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Securities in paragraph 6 includes language substantially to the following effect: "[€50,000] 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*)
- (ii) New Global Note: [Yes][No] [NB: may not be yes in relation to registered Notes]
26. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]  
(Note that this item relates to the place of payment and not Interest Period end dates to which paragraphs 16(iii) and 18(vii) relate)  
[Yes/No. *If yes, give details*]
27. Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): [Not Applicable/give details. NB: new forms of Global Note may be required for Partly Paid issues.]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details]
29. Details relating to Instalment Notes:  
(i) Instalment Amount(s): [Not Applicable/give details]  
(ii) Instalment Date(s): [Not Applicable/give details]
30. Redenomination applicable: Redenomination [not] applicable  
(*if Redenomination is applicable, specify the terms of Redenomination in an Annex to the Final Terms*)
31. (i) Whether Condition 9(a) of the Securities applies (in which case Condition 6(b) of the Securities will not apply) or whether Condition 9(b) of the Securities applies (in which case Condition 6(b) of the Securities shall apply): [Condition 9(a) applies and Condition 6(b) does not apply] [Condition 9(b) applies and Condition 6(b) shall apply]
- (ii) Relevant Tax Jurisdiction: [*specify if Condition 6(b) applies and there is any Relevant Tax Jurisdiction other than The Netherlands*]  
[Not Applicable/give details], including if not specified elsewhere: [●] or any successor in such capacity will act as Calculation Agent.  
(*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 of the Prospectus under Article 16 of the Prospectus Directive.*)
32. Other final terms: [Not Applicable/give details]
- DISTRIBUTION**
33. (i) If syndicated, names of Managers: [Not Applicable/give names]  
(ii) Stabilising Manager (if any): [Not Applicable/give name]
34. If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
35. Whether TEFRA D or TEFRA C rules [TEFRA D/TEFRA C/TEFRA not applicable]

36. Additional selling restrictions: [Not Applicable/give details]

37. Delivery:	Delivery [against/free of] payment
38. Additional Paying Agent(s) (if any):	[Not Applicable/give name]

39. Physical Settlement Provisions	[Applicable/Not Applicable]
(i) Asset Amount:	[give details]
(ii) Cut-off Date:	[give details]
(iii) Delivery provisions for Asset Amount (including details of who is to make such delivery) if different from Conditions:	[give details]

40. Stop Loss Provisions

(i) Stop Loss Termination:	[Applicable/Not Applicable]
(ii) Stop Loss Event:	[give details]
(iii) Stop Loss Termination Price:	[give details]
(iv) Stop Loss Settlement Amount:	[ ] per Calculation Amount

41. Constraint Events	
(i) Constraint Event provisions	[Applicable/Not Applicable]
(ii) Constraint Event Early Redemption:	[Applicable/Not Applicable]
42. Type of Constraint Event:	
(i) General Inconvertibility:	[Applicable/Not Applicable] If applicable: Relevant Jurisdictions [ <i>give details</i> ] Local Currency [ <i>give details</i> ]
(ii) Specific Inconvertibility:	[Applicable/Not Applicable] If applicable: Reference Entity [ <i>give details</i> ] Relevant Jurisdictions [ <i>give details</i> ] Local Currency [ <i>give details</i> ]
(iii) General Non-Transferability:	[Applicable/Not Applicable] If applicable: Relevant Jurisdictions [ <i>give details</i> ] Local Currency [ <i>give details</i> ]
(iv) Specific Non-Transferability:	[Applicable/Not Applicable] If applicable: Reference Entity [ <i>give details</i> ] Relevant Jurisdictions [ <i>give details</i> ] Local Currency [ <i>give details</i> ]
(v) Nationalisation:	[Applicable/Not Applicable] If applicable: Reference Entity [ <i>give details</i> ] Relevant Jurisdictions [ <i>give details</i> ]
(vi) Hedging Disruption:	[Applicable/Not Applicable]
(vii) Downgrade:	[Applicable/Not Applicable] If applicable: Downgrade Obligation [ <i>give details</i> ] Specified Rating [ <i>give details</i> ] Rating Agency [ <i>give details</i> ] [If more than one Downgrade Obligation, repeat in relation to each such Downgrade Obligation]

## CREDIT LINKED SECURITIES PROVISIONS

43. Credit Linked Securities: [Applicable/Not Applicable]  
 [NB: Consider whether definitions included in  
 Conditions are up to date] (If not applicable, delete the remaining sub-paragraphs of  
 this paragraph)  
 Standard Terms for Reference Entities [Applicable/Not Applicable]  
 [if Applicable, set out all relevant Standard Terms  
 relating to each Reference Entity in the Annex to these  
 Final Terms and delete each of items (i)-(xxxvii) below as  
 are addressed in the Annex, renumbering remaining items  
 accordingly]
- General*
- (i) Final Redemption Amount (in the case of [Express per Calculation Amount]  
 Notes) or Final Settlement Amount (in the  
 case of Certificates):
- (ii) Trade Date: [ ]
- (iii) Specified Business Centre(s): [ ]
- (iv) Calculation Agent responsible for making [ ]  
 calculations and determinations pursuant to  
 Condition 8:
- (v) Calculation Agent City: [ ]
- Credit Provisions*
- (vi) Reference Entity(ies): [ ]  
 [If more than one Reference Entity, insert the following:  
 [ ] (**Reference Entity 1**)  
 [ ] (**Reference Entity 2**)  
 [NB complete and number accordingly in relation to  
 additional Reference Entities. Also repeat relevant  
 information in (vii) – (xiii) below inclusive in respect of  
 each Reference Entity, specifying “In relation to  
 Reference Entity [1]” or similar in relation to the  
 relevant information.]
- (vii) Reference Obligation(s): [ ]  
 [NB complete details in (vii) in relation to each Reference  
 Obligation]
- [The obligation[s] identified as follows:
- Primary Obligor: [ ]
- Guarantor: [ ]
- Maturity: [ ]
- Coupon: [ ]
- CUSIP/ISIN: [ ]
- (viii) All Guarantees: [Applicable/Not Applicable]  
 – Provisions relating to Qualifying Guarantee and  
 Underlying Obligation: Condition 8(o) [Applicable/Not  
 Applicable]
- (ix) Credit Events: [Bankruptcy]  
 [Failure to Pay]  
 [Grace Period Extension:  
 [Applicable/Not Applicable]  
 [If Applicable:  
 Grace Period: [ ]]  
 [Obligation Acceleration]  
 [Obligation Default]  
 [Repudiation/Moratorium]  
 [Restructuring]  
 – Provisions relating to Restructuring Credit Event:  
 Condition 8(k) [Applicable/Not Applicable]  
 – Provisions relating to Multiple Holder Obligation:  
 Condition 8(1) [Applicable/Not Applicable]

	<ul style="list-style-type: none"> <li>– [Restructuring Maturity Limitation and Fully Transferable Obligation [Applicable/Not Applicable]]</li> <li>– [Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation [Applicable/Not Applicable]]</li> </ul>
Default Requirement:	[ <input type="checkbox"/> ]
Payment Requirement:	[ <input type="checkbox"/> ]
(x) Conditions to Settlement:	Notice of Publicly Available Information [Applicable/Not Applicable] [If Applicable: Public Source(s): [ <input type="checkbox"/> ] Specified Number: [ <input type="checkbox"/> ]
(xi) Obligation(s):	
Obligation Category	[Payment]
[select one only]:	[Borrowed Money]
	[Reference Obligations Only]
	[Bond]
	[Loan]
	[Bond or Loan]
Obligation Characteristics	[Non Subordinated]
[select all of which apply]:	[Specified Currency:
	[specify currency] [Standard Specified Currencies]]
	[Not Sovereign Lender]
	[Not Domestic Currency:]
	[Domestic Currency means: [specify currency]]
	[Not Domestic Law]
	[Listed]
	[Not Domestic Issuance]
Additional Obligation(s):	[ <input type="checkbox"/> ]
(xii) Provisions relating to Monoline Insurer to Reference Entity:	[Condition 8(m) [Applicable/Not Applicable]/[Condition 8(n) [Applicable/Not Applicable]] (N.B. If applicable, only one of Condition 8(m) and Condition 8(n) should be specified but not both)
(xiii) Excluded Obligation(s):	[ <input type="checkbox"/> ]
(xiv) Whether redemption of the Securities will be by (a) Cash Settlement or (b) Physical Delivery:	[Cash Settlement/Physical Delivery]
(xv) Accrual of Interest upon Credit Event:	[Applicable/Not Applicable] (N.B. If applicable and Specified Currency is other than EUR ensure main financial centre of Specified Currency is specified in item 43(iii))
Overnight Rate:	[Provide details if Accrual of Interest upon Credit Event is applicable and Specified Currency is other than EUR or USD]
(xvi) Merger Event:	[Applicable/Not Applicable] If Applicable: Merger Event Redemption Date [ <input type="checkbox"/> ]
(xvii) Unwind Costs:	[Standard Unwind Costs/other/Not Applicable]
Terms relating to Cash Settlement	
(xviii) Credit Event Redemption Amount:	[Express per Calculation Amount]
(xix) Credit Event Redemption Date:	[ <input type="checkbox"/> ] Business Days
(xx) Valuation Date:	[Single Valuation Date: [ <input type="checkbox"/> ] Business Days]
	[Multiple Valuation Dates: [ <input type="checkbox"/> ] Business Days; and each Business Days thereafter.

	Number of Valuation Dates: [    ]]
(xxi) Valuation Time:	[            ]
(xxii) Quotation Method:	[Bid/Offer/Mid-market]
(xxiii) Quotation Amount:	[[        ]/Representative Amount]
(xxiv) Minimum Quotation Amount:	[        ]
(xxv) Quotation Dealers:	[        ]
(xxvi) Quotations:	[Include Accrued Interest/Exclude Accrued Interest]
(xxvii) Valuation Method:	[Market/Highest]
	[Average Market/Highest/Average Highest]
	[[Weighted]Blended Market/Blended Highest]
	[[Weighted]Average Blended Market/ Average Blended Highest]
(xxviii) Other terms or special conditions:	[            ]
<i>Terms relating to Physical Delivery</i>	
(xxix) Physical Settlement Period:	[        ] Business Days
(xxx) Asset Amount:	[Include Accrued Interest/Exclude Accrued Interest]
(xxxi) Settlement Currency:	[            ]
(xxxii) Deliverable Obligations:	
Deliverable Obligation Category	[Payment]
[select one only]:	[Borrowed Money]
	[Reference Obligations Only]
	[Bond]
	[Loan]
	[Bond or Loan]
Deliverable Obligation Characteristics	[Not Subordinated]
[select all of which apply]:	[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:
	– insert details]
	[Transferable]
	[Maximum Maturity:
	[            ]]
	[Accelerated or Matured]
	[Not Bearer]
Additional Deliverable Obligation(s):	[        ]
(xxxiii) Excluded Deliverable Obligation(s):	[            ]
(xxxiv) Indicative Quotations:	[Applicable/Not Applicable]
(xxxv) Cut-Off Date:	[            ]
(xxxvi) Delivery provisions for Asset Amount	[            ]
(including details of who is to make such	
delivery) if different from Conditions:	
(xxxvii) Other terms or special conditions:	[Insert if applicable]

**[LISTING APPLICATION]**

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Securities described herein pursuant to the Limited Recourse Programme for the Issuance of Notes and Certificates of ABN AMRO Bank N.V.]

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. *[[Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components]* has been extracted from *[specify source]*. 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 [ ], 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 INFORMATION

### 1. LISTING

- (i) Listing: [Euronext Amsterdam/other (specify)/None]  
(ii) Admission to trading: [Application has been made for the Securities to be admitted to trading on Euronext Amsterdam/other] with effect from [..] [Not Applicable.]

### 2. RATINGS

- Ratings: The Securities to be issued have been rated:  
[S & P: []]  
[Moody's:[]]  
[Fitch:[]]  
[[Other]:[]]  
*(The above disclosure should reflect the rating allocated to Securities of the type 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 Securities 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

- (i) [Reasons for the offer: [ ]]  
*(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.)*
- (ii) [Estimated net proceeds: [ ]]
- (iii) [Estimated total expenses: [ ]]. [*Expenses are required to be broken down into each principal intended 'use' and presented in order of priority of such 'uses'*]  
*(If the Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) 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 (i) disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)*

### 5. YIELD (Fixed Rate Securities Only)

- Indication of yield: [ ]  
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/other] rates can be obtained from [Reuters].

### 7. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (Index-Linked Notes only)

[*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. Where the underlying is not an index need to include equivalent information.*]

*[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.)]*

## 8. PERFORMANCE OF RATE(S) OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

*[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]*

*[(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.)]*

*(N.B. This paragraph 8 only applies if the Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

## 9. OPERATIONAL INFORMATION

- |   |   |
|---|---|
| (i) ISIN Code:  | [   ]   |
| (ii) Common Code  | [   ]   |
| (iii) Fondscore:  | [   ] [Not Applicable]  |
| (iv) WKN Code:  | [   ] [Not Applicable]  |
| (v) <i>[Other relevant code:]</i>   | [   ]   |
| (vi) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): | [Not Applicable/give name(s) and number(s)]   |
| (vii) [Offer Period:  | [The offer of the Securities is expected to open at [   ] hours ([   ] time) on [   ] and close at [   ] hours ([   ] time) on [   ] or such earlier or later date or time as the Issuer may determine, following consultation with the relevant Dealer where practical,]] [Not Applicable] |
| (viii) Delivery:  | Delivery [against/free of] payment  |
| (ix) Names and addresses of additional Paying Agent(s) (if any):  | [   ]   |
| (x) Intended to be held in a manner which would allow Eurosystem eligibility:   | [Yes] [No]  |
- [Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] [include this text if "yes" selected in which case the Notes must be issued in NGN form]*



ANNEX

**(If Standard Terms is specified as applying in respect of Credit Linked Securities, insert the relevant Standard Terms in respect of each Reference Entity)**

SCHEDULE [ ]

**(In relation to a tranche of Securities which is being increased and was originally issued under a Base Prospectus or Prospectus with an earlier date than the current Base Prospectus, insert full terms and conditions which shall be in the form set out in the previous Base Prospectus or Prospectus which, in the case of a listed issued shall have been previously approved by the relevant competent authority.)**

**(b) Form of Final Terms for certain types of Credit Linked Notes**

[Date]

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriately authorised independent financial adviser**

**ABN AMRO Bank N.V.**  
**(incorporated in The Netherlands with its statutory seat in Amsterdam)**  
**Issue of [Aggregate Nominal Amount of Tranche] [Title of the Securities]**  
**(the Securities)**  
**under the**  
**Limited Recourse Programme for the issuance of Notes and Certificates**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 11 July 2008 which constitutes a base prospectus for the purpose of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at the registered office of the Issuer, currently at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands and copies may be obtained from the Issuer at that address.

See also Part B as to additional information in relation to the Securities which may include additional risk factors.

*[The following language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date. In the event the Base Prospectus with an earlier date was not approved for the purpose of the Prospectus Directive (as defined below), the Issuer shall publish a supplement to the current Base Prospectus in respect of this increase and such supplement shall be approved by the relevant listing or other competent authority prior to publication.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set out in Schedule [ ] to this document. This document constitutes the Final Terms of the Securities 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 [current date] which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions scheduled hereto. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus dated [current date] and the Conditions. Copies of such documents are available for viewing at the registered office of the Issuer, currently at Gustav Mahlerlaan 10, 1082 PP Amsterdam, The Netherlands and copies may be obtained from the Issuer at that address.

*[Include whichever of the following apply or specify as 'Not Applicable' (N/A). Note that the numbering should remain as set out below, even if 'Not Applicable' is indicated for individual paragraphs or subparagraphs.]*

*[When adding any other final terms or information consideration should be given as to whether such terms 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.]*

*[If applicable and the Securities are Credit Linked Notes include the following]***[The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Securities. These factors should**

be read in conjunction with, and are supplemental to, the section entitled “Risk Factors” on pages 13 to 18 of the Base Prospectus.]

[The Securities are first to default Credit Linked Securities in relation to [insert number] Reference Entities [where certain determinations in relation to the Reference Entities are made by reference to Notional Credit Default Swaps in relation to each Reference Entity.] *[If the Securities include a Notional Embedded Swap insert the following:]* [Such Credit Linked Securities will involve certain determinations being made by reference to a [currency][and][interest] rate swap referred to as the Notional Embedded Swap.] The Reference Entit[ies][y] [is a[n] describe] [is name of Reference Entity] [comprise] [describe] [insert number] [“Long Reference Entit[y][ies]” and [insert number] [“Short Reference Entit[y][ies]”]. Where Conditions to Settlement are satisfied in respect of [the][any] Reference Entity and the Securities become redeemable pursuant to Condition 8, a Final Price is determined for [the][that affected] Reference Entity in accordance with Condition 8 and the Credit Event Redemption Amount will take account of such Final Price [as well as certain unwind amount(s) determined by the Calculation Agent in respect of [each of] the other Reference Entit[ies][y]. To the extent there is any [deterioration in the creditworthiness of [the][any] Long Reference Entity this is likely to have an adverse effect on the Credit Event Redemption Amount [and to the extent there is any] [deterioration in creditworthiness of a Short Reference Entity this is likely to have a positive effect on the Credit Event Redemption Amount].]

*[If Trigger Events apply insert the following:*

During the term of the Securities the Issuer will have the option to redeem the Securities early if a Trigger Event occurs. A Trigger Event includes *[insert details]* [events determined by reference to the unwind amounts determined for [one or more of] the Notional Credit Default Swap[s] and the cost of credit protection which is determined in relation to the Reference Entit[y][ies],] in each case on the relevant date on which a Trigger Event is determined to occur. [In addition a Trigger Event may take into account *[insert details]* [differences between the cost of credit protection for the Reference Entities] [and] [a foreign exchange cost determined in relation to the Specified Currency of the Securities and the currency in which determinations are made in relation to the Securities. Following any Trigger Event and exercise by the Issuer of its call option in relation to the Securities, each Security will be redeemed at an amount which takes into account *[insert details]* [the Notional Credit Default Swap[s],] [the Notional Embedded Swap and] certain expenses and costs of the Issuer and/or any of its Affiliates.]

*[If Leverage applies insert the following, if applicable]*

[The Notional Credit Default Swap[s] refer[s] to a Floating Rate Payer Calculation Amount which represents a credit protection amount greater than the Aggregate Nominal Amount of the Securities. This leverage may mean [that a Trigger Event occurs where this would not otherwise be the case] [and/or] [that investors in the Securities make a greater loss or fail to make as great a gain in relation to their investment than would otherwise be the case.]

- |    |                                   |  |
|----|-----------------------------------|--|
| 1. | (i) Issuer:                       | ABN AMRO Bank N.V.   |
|    | (ii) Type of Securities:          | [Notes/Certificates]   |
| 2. | (i) Series Number:                | [ ]  |
|    | (ii) Tranche Number:              | [ ]  |
|    |                                   | <i>(If fungible with an existing Series, details of that Series, including the date on which the Securities become fungible)</i> |
| 3. | Specified Currency or Currencies: | [ ]  |
| 4. | Aggregate Nominal Amount:         |  |
|    | – Series:                         | [ ]  |
|    | – Tranche:                        | [ ]  |
| 5. | Issue Price:                      | [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)]                  |
| 6. | Specified Denominations:          | [ ]  |
|    |                                   | <i>(Note – where multiple denominations above €50,000 or equivalent are being used the following sample wording</i>              |

- should be followed unless Securities being issued are in registered form  
 "[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Securities in definitive form will be issued with a denomination above [€99,000].")
- (in the case of Registered Securities, this means the minimum integral amount in which transfers can be made) (N.B. if an issue of Securities 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 €50,000 minimum denomination is not required.)
- Calculation Amount  
 (Applicable to Bearer Notes in definitive form.) (If only one Specified Denomination, insert the Specified Denomination.  
 If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
7. (i) Issue Date: [ ]  
 (ii) Interest Commencement Date (if [ ]  
 applicable in the case of Notes):
  8. Maturity Date (in the case of Notes) or [Fixed rate Note – specify date/Floating rate Note – Interest  
 Final Settlement Date (in the case of Payment Date falling in or nearest to [specify month and  
 Certificates): year]]  
 [Certificates or other Notes – specify date][specify date] (the  
 ‘Scheduled Maturity/Settlement Date’), subject to  
 adjustment, if applicable, as provided in the Conditions
  9. Interest Basis (only applicable in [ [ ] per cent. Fixed Rate]  
 relation to Notes): [[LIBOR/EURIBOR] +/- [ ] per cent. Floating Rate]  
 [Zero Coupon]  
 [Index Linked Interest]  
 [Dual Currency Interest]  
 [specify other]  
 (further particulars specified below)
  10. Redemption/Payment Basis (only [Redemption at par]  
 applicable in relation to Notes): [Index Linked Redemption]  
 [Dual Currency Redemption]  
 [Partly Paid]  
 [Instalment]  
 [Credit Linked]  
 [specify other]  
 (N.B. If the Final Redemption Amount or Final Settlement  
 Amount is other than 100 per cent. of the nominal value the  
 Securities will be derivative securities for the purposes of the  
 Prospectus Directive and the requirements of Annex XII to  
 the Prospectus Directive Regulation will apply.)
  11. Change of Interest Basis or [Specify details of any provision for change of Notes into  
 Redemption/Payment Basis (only another Interest Basis or Redemption/Payment Basis]
  12. Put/Call Options: [Investor Put]  
 [Issuer Call]  
 [(further particulars specified below)]
  13. Status of the Securities: Senior
  14. Method of distribution: [Syndicated/Non-syndicated]
- PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE IN RELATION TO NOTES**
15. Fixed Rate Note Provisions [Applicable/Not Applicable]  
 (If not applicable, delete the remaining subparagraphs of  
 this paragraph)
  - (i) Rate(s) of Interest: [ ] per cent. per annum [payable

- [annually/semi-annually/quarterly] in arrear]  
*(If payable less often than annually, consider amending Condition 4)*
- (ii) Interest Payment Date(s): ☐ in each year up to and including the Maturity Date]/[Specify other]
- (iii) Fixed Coupon Amount(s): ☐ per Calculation Amount  
 (Applicable to Bearer Notes in definitive form.) [on each Interest Payment Date]
- (iv) Broken Amount(s): ☐ per Calculation Amount  
 Applicable to Bearer Notes in definitive form.)
- (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or specify other]  
*(NB.: if interest is not payable on a regular basis (for example, if there are Broken Amounts specified) Actual/Actual (ICMA) may not be a suitable Day Count Fraction.)*
- (vi) Determination Date(s): ☐ in each year  
*[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*  
*NB.: this will need to be amended in the case of regular interest payment dates which are not of equal duration*  
*NB.: Only relevant where Day Count Fraction is Actual/Actual (ICMA)]*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable]  
*(if not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Specified Period(s)/ Specified Interest Payment Dates: ☐
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention [specify other]]
- (iii) Additional Business Centre(s): ☐
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): ☐
- (vi) Screen Rate Determination: [Yes/No]  
 – Reference Rate: ☐  
*(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)*  
 – Interest Determination Date(s): ☐  
*(Second London business day prior to the start of each Interest Period if LIBOR (other than sterling or euro LIBOR), first day of each Interest Period if sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*  
 – Relevant Screen Page: ☐  
*(In the case of EURIBOR, if not Reuters Page EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*

- (vii) ISDA Determination: [Yes/No]  
 – Floating Rate Option: []  
 – Designated Maturity: []  
 – Reset Date: []
- (viii) Margin(s): [+/-] [ ] per cent. per annum
- (ix) Minimum Rate of Interest: [ ] per cent. per annum
- (x) Maximum Rate of Interest: [ ] per cent. per annum
- (xi) Day Count Fraction: [Actual/Actual (ISDA)  
 Actual/365 (Fixed)  
 Actual/365 (Sterling)  
 Actual/360  
 30/360  
 30E/360/  
 30E/360(ISDA)  
 Other]  
*(See Condition 4 for alternatives)*
- (xii) Fall-back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
17. Zero Coupon Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Accrual Yield: [ ] per cent. per annum
- (ii) Reference Price: [ ]
- (iii) Any other formula/basis of determining amount payable: [ ]
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 6(f)(ii) and (l) apply/specify other]  
*(Consider applicable day count fraction if not U.S. dollar denominated)*
18. Index Linked Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Index/Formula: [give or annex details]
- (ii) Calculation Agent: [ ]
- (iii) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): [ ]
- (iv) Provisions for determining coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (v) Specified Period (s)/ Specified Interest Payment Dates: [ ]
- (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
- (vii) Additional Business Centre(s): [ ]
- (viii) Minimum Rate of Interest: [ ] per cent. per annum
- (ix) Maximum Rate of Interest: [ ] per cent. per annum
- (x) Day Count Fraction: [ ]
19. Dual Currency Note Provisions [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]

- (ii) Party, if any, responsible for ☐ calculating the principal and/or interest payable:
- (iii) Provisions applicable where ☐ *[need to include a description of market disruption or settlement disruption events and adjustment provisions]* calculation by reference to Rate of Exchange impossible or impracticable:
- (iv) Person at whose option Specified ☐ Currency(ies) is/are payable:

**PROVISIONS RELATING TO INTERIM AMOUNT(S) (IF ANY) PAYABLE IN RELATION TO CERTIFICATES**

20. Interim Amount(s) Payable ☐ [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Interim Amount(s): ☐ [Specify the Interim Amount per Calculation Amount payable in respect of each Interim Amount Payment Date or the method of calculation of the Interim Amount(s).]
  - (ii) Interim Amount Payment Date: ☐ [Specify date(s) on which Interim Amount(s) to be paid]
  - (iii) Other Terms relating to payment of Interim Amount(s): ☐ [None/give details]

**PROVISIONS RELATING TO REDEMPTION**

21. Issuer Call
- (A) Trigger Event Issuer Call: ☐ [Applicable/Not Applicable] [See paragraph [2] of Schedule 1 hereto.]  
*(If not applicable, delete the remaining subparagraphs of this paragraph 21(A))*
    - (i) Optional Redemption Date(s): ☐ [ ] [The relevant date for redemption specified in the applicable Call Notice]
    - (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): ☐ [ ] per Calculation Amount  
*[If applicable and Security is Credit Linked and includes references to a Long Reference Entity and/or Short Reference Entity, insert the following:*  
In respect of each Note, an amount in the Specified Currency equal to its *pro rata* share according to its Calculation Amount of the Note Market Value determined as of the [second] Business Day immediately preceding the due date for redemption pursuant to Condition 6(d).  
*]*
    - (iii) If redeemable in part:
      - (a) Minimum Redemption Amount: ☐ [ ]
      - (b) Maximum Redemption Amount: ☐ [ ]
    - (iv) Notice period including a minimum number of days' notice for the purpose of Condition 6(d): ☐ [ ] *[NB not to be less than five Business Days]*  
*(N.B. When setting notice periods, the Issuer should consider the practicalities of disruption of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent. See further Condition 6(d)).*  
*[If applicable, insert the following: See paragraph 2 of Schedule 1 hereto.]*
  - (B) Issuer Call (Non-Trigger Event): ☐ [Applicable. For these purposes the words "If Issuer Call is specified in the applicable Final Terms" in the first line of Condition 6(d) shall be deleted and replaced with the words "If Issuer Call (Non Trigger Event) is specified in the applicable Final Terms"/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
    - (i) Optional Redemption Date(s): ☐ [ ]



- (ii) Optional Redemption Amount [ ] per Calculation Amount and method, if any, of calculation of such amount(s):
- (iii) if redeemable in part:
- (a) [Minimum Redemption Amount: [ ]]
- (b) [Maximum Redemption Amount: [ ]]
- (iv) Notice period including a minimum number of days' notice for the purpose of Condition 6(d): *(N.B. When setting notice periods, the Issuer should consider the practicalities of disruption of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent. See further Condition 6(d))*
- (C) Other Issuer Call provisions: In the event that both paragraphs 21(A) (Trigger Event Issuer Call:) and 21(B) (Issuer Call (Non-Trigger Event):) above are applicable, the Issuer may in its sole and absolute discretion determine which Issuer Call option(s) to exercise or may determine not to exercise any such Issuer Call option. The Issuer Call (Non-Trigger Event) option may be exercised in respect of a partial redemption of the Notes and in this case may apply any number of times. However the Trigger Event Issuer Call option may only be exercised in respect of all of the Notes outstanding and if the Trigger Event Issuer Call is exercised by delivery of a valid Call Notice, the Issuer Call (Non-Trigger Event) may no longer be exercised.
22. Investor Put [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount: [ ] per Calculation Amount
- (iii) Notice period including a minimum number of days' notice for the purposes of Condition 6(e): [ ] *[NB not to be less than 15 Business Days]*  
*(N.B. When setting notice periods, the Issuer should consider the practicalities of disruption of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)*
23. (i) Final Redemption Amount (of Notes): [[ ] per Calculation Amount/specify other/see Appendix][See paragraph 43 below]
- (ii) Final Settlement Amount (of Notes): [[ ] per Calculation Amount/specify other/see Appendix]
- (N.B. If the Final Redemption Amount or Final Settlement Amount is other than 100 per cent. of the nominal value the Securities will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
24. Early Redemption Amount of each Security payable on redemption for taxation reasons (if Condition 6(b) applies: see paragraph 31 below) or following an illegality or following a Constraint Event (if Condition 7(a)(ii) applies: see paragraph 41(ii)) or, in the case of Credit Linked Securities, following a Merger Event (if applicable) or an event of default and/or the method The Early Redemption Amount per Calculation Amount is an amount in the Specified Currency calculated by the Calculation Agent equal to the fair market value of such Calculation Amount of the Securities immediately preceding the due date for early redemption taking into account, if applicable, the illegality or Constraint Event, as the case may be, and less a pro rata share of the sum (without duplication) of all costs, expenses (including loss of funding), tax and duties incurred by the Issuer and/or any of its Affiliates in connection with the redemption of the Securities and the

of calculating the same (if required or if different from that set out in Condition 6(f)):

related termination, settlement or re-establishment of any hedge or related trading position, all as determined by the Calculation Agent in its sole and absolute discretion by reference to such factor(s) as it may deem appropriate.

## GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

### 25. Form of Securities:

#### (i) Form:

[Bearer Securities: [Not Applicable]/

Temporary Global Security exchangeable for a Permanent Global Security which is exchangeable for definitive Bearer Securities [on 60 days' notice given at any time/only upon an Exchange Event].

[Temporary Global Security exchangeable for definitive Bearer Securities on and after the Exchange Date.]

[Permanent Global Security exchangeable for definitive Bearer Securities [on 60 days' notice given at any time/only upon an Exchange Event]]

[Registered Securities: [Not Applicable]/

Regulation S Global Security (U.S.\$[ ] nominal amount)/Restricted Global Security (U.S.\$[ ] nominal amount)/Definitive Registered Securities (*specify nominal amounts*)] (*Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular 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: "[€50,000] 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.*)

#### (ii) New Global Note:

[Yes][No] [NB may not be yes in relation to registered Notes]

### 26. Additional Financial Centre(s) or other special provisions relating to Payment Dates:

[Not Applicable/give details] (Note that this item relates to the place of payment and not Interest Period end dates to which paragraphs 16(iii) and 18(vii) relate)

### 27. Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature):

[Yes/No. *If yes, give details*]

### 28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:

[Not Applicable/give details. NB.: *new forms of Global Note may be required for Partly Paid issues.*]

### 29. Details relating to Instalment Notes:

#### (i) Instalment Amount(s):

[Not Applicable/give details]

#### (ii) Instalment Date(s):

[Not Applicable/give details]

### 30. Redenomination applicable:

Redenomination [not] applicable (if Redenomination is applicable, specify the terms of Redenomination in an Annex to the Final Terms)

### 31. (i) Whether Condition 9(a) of the Securities applies (in which case Condition 6(b) of the Securities will not apply) or whether Condition 9(b) of the Securities applies (in which case Condition 6(b) of the

[Condition 9(a) applies and Condition 6(b) does not apply]  
[Condition 9(b) applies and Condition 6(b) shall apply]

- Securities shall apply):
- (ii) Relevant Tax Jurisdiction: *[specify if Condition 6(b) applies and there is any Relevant Tax Jurisdiction other than The Netherlands]*
32. Other final terms: *[Not Applicable/give details including if not specified elsewhere: [●] or any successor in such capacity will act as Calculation Agent]*  
*(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 of the Prospectus under Article 16 of the Prospectus Directive.)*

#### **DISTRIBUTION**

33. (i) If syndicated, names of Managers: *[Not Applicable/give names]*  
(ii) Stabilising Manager (if any): *[Not Applicable/give name]*
34. If non-syndicated, name of relevant Dealer: *[Not Applicable/give name]*
35. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: *[TEFRA D/TEFRA C/TEFRA not applicable]*
36. Additional selling restrictions: *[Not Applicable/give details]*

#### **OPERATIONAL INFORMATION**

37. Delivery: *Delivery [against/free of] payment*
38. Additional Paying Agent(s) (if any): *[Not Applicable/give name]*

#### **PHYSICAL SETTLEMENT PROVISIONS (NOT APPLICABLE FOR CREDIT LINKED SECURITIES)**

39. Physical Settlement Provisions *[Applicable/Not Applicable]*  
(i) Asset Amount: *[give details]*  
(ii) Cut-off Date: *[give details]*  
(iii) Delivery provisions for Asset Amount (including details of who is to make such delivery) if different from Conditions: *[give details]*

#### **STOP LOSS PROVISIONS**

40. Stop Loss Provisions  
(i) Stop Loss Termination: *[Applicable/Not Applicable]*  
(ii) Stop Loss Event: *[give details]*  
(iii) Stop Loss Termination Price: *[give details]*  
(iv) Stop Loss Settlement Amount: *[ ] per Calculation Amount*

#### **LIMITED RECOURSE PROVISIONS**

41. Constraint Events  
(i) Constraint Event provisions *[Applicable/Not Applicable]*  
(ii) Constraint Event Early Redemption: *[Applicable/Not Applicable]*
42. Type of Constraint Event:  
(i) General Inconvertibility: *[Applicable/Not Applicable]*  
If applicable:  
Relevant Jurisdictions *[give details]*  
Local Currency *[give details]*  
(ii) Specific Inconvertibility: *[Applicable/Not Applicable]*  
If applicable:  
Reference Entity *[give details]*  
Relevant Jurisdictions *[give details]*  
Local Currency *[give details]*  
(iii) General Non-Transferability: *[Applicable/Not Applicable]*  
If applicable:  
Relevant Jurisdictions *[give details]*  
Local Currency *[give details]*  
(iv) Specific Non-Transferability: *[Applicable/Not Applicable]*  
If applicable:  
Reference Entity *[give details]*

- (v) Nationalisation: Relevant Jurisdictions [give details]  
Local Currency [give details]  
[Applicable/Not Applicable]  
If applicable:  
Reference Entity [give details]  
Relevant Jurisdictions [give details]
- (vi) Hedging Disruption: [Applicable/Not Applicable]
- (vii) Downgrade: [Applicable/Not Applicable]  
If applicable:  
Downgrade Obligation [give details]  
Specified Rating [give details]  
Rating Agency [give details]  
[If more than one Downgrade Obligation, repeat in relation to each such Downgrade Obligation]

## CREDIT LINKED SECURITIES PROVISIONS

43. Credit Linked Securities: [Applicable/Not Applicable]  
[NB: Consider whether definitions included in Conditions are up to date] (If not applicable, delete the remaining subparagraphs of this paragraph)  
Standard Terms for Reference Entities [Applicable/Not Applicable]  
[if Applicable, set out all relevant Standard Terms relating to each Reference Entity in the Annex to these Final Terms and delete each of items (i) to (xxxvii) below as are addressed in the Annex, renumbering remaining items accordingly]

### General

- (i) Final Redemption Amount (in the case of Notes) or Final Settlement Amount (in the case of Certificates): [Express per Calculation Amount]
- (ii) Trade Date: [ ]
- (iii) Specified Business Centre(s): [ ]
- (iv) Calculation Agent responsible for making calculations and determinations pursuant to Condition 8: [ ]
- (v) Calculation Agent City: [ ]
- Credit Provisions
- (vi) Reference Entity(ies): [ ]  
[If more than one Reference Entity, insert the following:  
[ ] (Reference Entity 1)  
[ ] (Reference Entity 2)  
[NB complete and number accordingly in relation to additional Reference Entities. Also repeat relevant information in (vii) – (xiii) below inclusive in respect of each Reference Entity, specifying “In relation to Reference Entity [1]” or similar in relation to the relevant information.]
- (vii) Reference Obligation(s): [ ]  
[NB complete details in (vii) in relation to each Reference Obligation]
- [The obligation[s] identified as follows:  
Primary Obligor: [ ]  
Guarantor: [ ]  
Maturity: [ ]  
Coupon: [ ]  
CUSIP/ISIN: [ ]]
- (viii) All Guarantees: [Applicable/Not Applicable]  
Provisions relating to Qualifying Guarantee and Underlying Obligation: Condition 8(o) [Applicable/Not Applicable]
- (ix) Credit Events: [Bankruptcy]  
[Failure to Pay]

[Grace Period Extension:  
 [Applicable/Not Applicable]  
 [If Applicable:  
 Grace Period: [     ]]  
 [Obligation Acceleration]  
 [Obligation Default]  
 [Repudiation/Moratorium]  
 [Restructuring]  
 Provisions relating to Restructuring Credit Event:  
 Condition 8(k) [Applicable/Not Applicable]  
 Provisions relating to Multiple Holder Obligation:  
 Condition 8(1) [Applicable/Not Applicable]  
 [Restructuring Maturity Limitation and Fully Transferable  
 Obligation [Applicable/Not Applicable]]  
 [Modified Restructuring Maturity Limitation and  
 Conditionally Transferable Obligation [Applicable/Not  
 Applicable]]  
 [other]  
 Default Requirement: [ ]  
 Payment Requirement: [ ]  
 (x) Conditions to Settlement: Notice of Publicly Available Information  
 [Applicable/Not Applicable]  
 [If Applicable:  
 Public Source(s): [     ]  
 Specified Number: [     ]]  
 (xi) Obligation(s):  
 Obligation Category  
 [select one only]: [Payment]  
 [Borrowed Money]  
 [Reference Obligations Only]  
 [Bond]  
 [Loan]  
 [Bond or Loan]  
 Obligation Characteristics  
 [select all of which apply]: [Non 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 Issuance]  
 Additional Obligation(s): [     ]  
 (xii) Provisions relating to Monoline [Condition 8(m) [Applicable/Not Applicable]/[Condition 8(n)  
 Insurer to Reference Entity: [Applicable/Not Applicable]] (N.B. If applicable, only one of  
 Condition 8(m) and Condition 8(n) should be specified but  
 not both)  
 (xiii) Excluded Obligation(s): [     ]  
 (xiv) Whether redemption of the [Cash Settlement/Physical Delivery]  
 Securities will be by (a) Cash  
 Settlement or (b) Physical Delivery:  
 (xv) Accrual of Interest upon Credit [Applicable/Not Applicable] (N.B. If applicable and  
 Event: Specified Currency is other than EUR ensure main financial  
 centre of Specified Currency is specified in item 43(iii))  
 Overnight Rate: [Provide details if Accrual of Interest upon Credit Event is  
 applicable and Specified Currency is other than EUR or  
 USD]  
 (xvi) Merger Event: [Applicable/Not Applicable]  
 If Applicable: Merger Event Redemption Date  
 [     ]

(xvii) Unwind Costs: [Standard Unwind Costs/*other*/Not Applicable]  
*Terms relating to Cash Settlement*

(xviii) Credit Event Redemption Amount: [*Express per Calculation Amount*]  
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 paragraph [1] of Schedule 1 hereto]

(xix) Credit Event Redemption Date: [ ] Business Days

(xx) Valuation Date: [Single Valuation Date:  
[ ] Business Days]  
[Multiple Valuation Dates:  
[ ] Business Days; and each Business Days thereafter.  
Number of Valuation Dates: [ ]]

(xxi) Valuation Time: [ ]

(xxii) Quotation Method: [Bid/Offer/Mid-market]

(xxiii) Quotation Amount: [[ ]/Representative Amount]

(xxiv) Minimum Quotation Amount: [ ]

(xxv) Quotation Dealers: [ ]

(xxvi) Quotations: [Include Accrued Interest/Exclude Accrued Interest]

(xxvii) Valuation Method: [Market/Highest]  
[Average  
Highest] [[Weighted] Blended Market/Highest/Average  
Highest] [[Weighted] Average Blended Market/  
Average Blended Highest]

(xxviii) Other terms or special conditions: [ ]

*Terms relating to Physical Delivery*

(xxix) Physical Settlement Period: [ ] [Business Days] [Not Applicable]

(xxx) Asset Amount: [Include Accrued Interest/Exclude Accrued Interest][Not Applicable]

(xxxi) Settlement Currency: [ ] [Not Applicable]

(xxxii) Deliverable Obligations:  
Deliverable Obligation Category [*select one only*]: [Payment][Borrowed Money]  
[Reference Obligations Only]  
[Bond]  
[Loan]  
[Bond or Loan]  
[Not Applicable]

Deliverable Obligation Characteristics [*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 Contingent]  
[Not Domestic Issuance]  
[Assignable Loan]  
[Consent Required Loan]  
[Direct Loan Participation]  
[Qualifying Participation Seller: – *insert details*]  
[Transferable]  
[Maximum Maturity: [ ]]  
[Accelerated or Matured]  
[Not Bearer]

Additional Deliverable Obligation(s): [ ] [Not Applicable]

- |  |             |  |
|--|-------------|--|
| (xxxiii) Excluded  | Deliverable |  |
| Obligation(s):   |             | [ ] [Not Applicable]                               |
| (xxxiv) Indicative Quotations:   |             | [Applicable/Not Applicable]                        |
| (xxxv) Cut-Off Date:   |             | [ ] [Not Applicable]                               |
| (xxxvi) Delivery provisions for Asset  |             | [ ] [Not Applicable]                               |
| Amount (including details of who is to make such delivery) if different from Conditions: |             |  |
| (xxxvii) Other terms or special conditions:  |             | [Issuer if applicable]<br>[See Schedule 1 hereto.] |

## [LISTING APPLICATION]

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Securities described herein pursuant to the Limited Recourse Programme for the Issuance of Notes and Certificates of ABN AMRO Bank N.V.]

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. *[[Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components]* has been extracted from *[specify source]*. 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 [ ], 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 INFORMATION

### 1. LISTING

- (i) Listing: [Euronext Amsterdam/other (specify)/None]
- (ii) Admission to trading: [Application has been made for the Securities to be admitted to trading on [Euronext Amsterdam/other] with effect from [ ].]  
[Not Applicable.]

### 2. RATINGS

Ratings: The Securities to be issued have been rated:

[S & P: [ ]]  
[Moody's: [ ]]  
[Fitch: [ ]]  
[[Other]: [ ]]

*(The above disclosure should reflect the rating allocated to Securities of the type 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 Securities 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

- (i) [Reasons for the offer: [ ]]  
*(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.)]*

- (ii) [Estimated net proceeds: [ ]]

- (iii) [Estimated total [ ]]. *[Expenses are required to be broken down into each principal intended 'use' and presented in order of priority of such 'uses']*

*(If the Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) 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 (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)*

### 5. YIELD (Fixed Rate Securities Only)

Indication of yield: [ ]

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/other] rates can be obtained from [Reuters].]

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

[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. Where the underlying is not an index need to include equivalent information.]

[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.)]

**8. PERFORMANCE OF RATE(S) OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

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

[(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.)]

(N.B. This paragraph 8 only applies if the Securities are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

**9. OPERATIONAL INFORMATION**

(i) ISIN Code: [ ]

(ii) Common Code: [ ]

(iii) Fondscode: [ ] [Not Applicable]

(iv) WKN Code: [ ] [Not Applicable]

(v) [Other relevant code:] [ ]

(vi) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

(vii) [Offer Period: [The offer of the Securities is expected to open at [ ] hours ([ ] time) on [ ] and close at ([ ] hours [ ] time) on [ ] or such earlier or later date or time as the Issuer may determine, following consultation with the relevant Dealer where practical,]] [Not Applicable]

- (viii) Delivery: Delivery [against/free of] payment
- (ix) Names and addresses of additional Paying Agent(s) (if any): [      ]
- (x) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]
- [Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] *[include this text if "yes" selected in which case the Notes must be issued in NGN form]*

## 10. ADDITIONAL RISK FACTORS

*[Insert if each of paragraphs 21(A) and 21(B) are specified:*

If the Issuer chooses to exercise either of the specified Issuer Call options it is likely that it will choose the option which creates the lowest Optional Redemption Amount or other amount payable to Noteholders. As a result, any return on the Notes may be less (and in some cases significantly less) than if the alternative Issuer Call option or if no Issuer Call option had been exercised.]

*[Add others if relevant]*

[ANNEX

If Standard Terms is specified as applying in respect of Credit Linked Securities, insert the relevant Standard Terms in respect of each Reference Entity]

**[SCHEDULE 1]**

*[If Securities are first to default Credit Linked Securities and if applicable insert the following:*

**1. Credit Event Redemption Amount**

If Conditions to Settlement are satisfied in respect of [any] [the] Reference Entity (the ‘Affected Reference Entity’) during the Notice Delivery Period and the Notes become redeemable in accordance with Condition 8, the Calculation Agent shall determine the Credit Event Redemption Amount in respect of each Note as an amount in the Specified Currency equal to its *pro rata* share according to its Specified Denomination of an amount determined as the result of the following, subject to a minimum of zero:

*[Insert the following if applicable]*

[[**(i)**] [ ] [the Aggregate Nominal Amount of the Notes] [the Aggregate Nominal Amount Present Value of the Notes] [immediately prior to redemption] *[NB if this provision applies, insert and complete each definition below marked “(i)”]*

minus

[[**(ii)**] [ ] [the product of] the Loss Amount [and the Relevant FX Rate]] *[NB if this provision applies, insert and complete each definition below marked “(ii)”]*

plus

[[**(iii)**] [ ] [the product of] the Gain Amount [and the Relevant FX Rate]] *[NB if this provision applies, insert and complete each definition below marked “(iii)”]*

minus

[[**(iv)**] [ ] [the product of] the Embedded Swap Unwind Amount [and the Relevant FX Rate]] *[NB if this provision applies, insert and complete each definition below marked “(iv)”]*

minus

[[**(v)**] [ ] [the product of] the CDS Unwind Amount [and the Relevant FX Rate]] *[NB if this provision applies, insert and complete each definition below marked “(v)”]*

minus

[[**(vi)**] [ ] the sum expressed in the Specified Currency of (without duplication) all costs, fees, charges, expenses (including loss of funding), tax and duties incurred by the Issuer and/or any of its Affiliates in connection with the redemption of the Notes and the related termination, settlement or re-establishment of any hedge or related trading position.]

[The Credit Event Redemption Amount in respect of each Note shall be rounded to the nearest 0.01 in the Specified Currency with 0.005 rounded [up]wards]

[As used herein:

**[Aggregate Nominal Amount Present Value]** means (a) in relation to any relevant day, the present value of the Aggregate Nominal Amount of the Notes on such day where such amount is deemed to fall due on the Scheduled Maturity/Settlement Date (without regard to any adjustment) and as calculated by the Calculation Agent in its sole and absolute discretion by reference to the then current swap rate determined from the closing swap curve for the Specified Currency [at the LIBOR/*other*] rate for the Specified Currency or (b) if such relevant day falls on or after the Scheduled Maturity/Settlement Date, the Aggregate Nominal Amount of the Notes on such day. For the purposes of determining Aggregate Nominal Amount Present Value the obligor in relation to such due amount shall be deemed to be [a bank of the highest credit rating/the Issuer] and the Calculation Agent shall make calculations to determine the Aggregate Nominal Amount Present Value in relation to any relevant day as required

herein, provided that if, for any reason (including, without limitation, a systems failure or similar circumstance) the Calculation Agent is unable to make such calculations in relation to such relevant day, the Calculation Agent shall adjust the procedures herein as it determines appropriate in order to determine the Aggregate Nominal Amount Present Value in relation to such relevant day.] (i) (a)

[**CDS Reference Currency** means [●];] (ii) (iii) (iv) (v) (a) (d)

[**CDS Unwind Amount** means an amount in the CDS Reference Currency determined by the Calculation Agent equal to the sum of, in respect of each Notional Credit Default Swap for a Reference Entity (if Conditions to Settlement have been satisfied, other than the Affected Reference Entity) the [lowest] CDS Unwind Quotation obtained from Swap Dealers (i) for the purposes of determining a Credit Event Redemption Amount, on the day on which the Final Price for the Affected Reference Entity is determined or (ii) for the purposes of determining Note Market Value on any relevant day, such day or, if only one CDS Unwind Quotation is obtained, such CDS Unwind Quotation or, if no CDS Unwind Quotation is obtained, an amount calculated by the Calculation Agent in good faith and a commercially reasonable manner as the CDS Unwind Amount which it determines would have prevailed but for such non availability. The Calculation Agent shall obtain CDS Unwind Quotations from [five] Swap Dealers on the relevant day, in each case if available from the relevant Swap Dealer at the time contacted by the Calculation Agent. For the avoidance of doubt a Swap Dealer may decline to give an CDS Unwind Quotation.] (v) (a)

[**CDS Unwind Quotation** means, in respect of any relevant day, the quotation obtained from a Swap Dealer expressed as an amount in the CDS Reference Currency that the Floating Rate Payer specified in the relevant Notional Credit Default Swap would be required to pay to the Fixed Rate Payer specified in the Notional Credit Default Swap (expressed as a positive amount in the case of a Short Reference Entity or negative amount in the case of a Long Reference Entity) or that the Fixed Rate Payer specified in the Notional Credit Default Swap would be required to pay to the Floating Rate Payer specified in the Notional Credit Default Swap (expressed as a negative amount in the case of a Short Reference Entity or a positive amount in the case of a Long Reference Entity), in each case to enter into a hypothetical swap documented on the terms of the Notional Credit Default Swap under which:

- (a) the relevant Swap Dealer is the Floating Rate Payer; and
- (b) the Effective Date is the relevant day on which the CDS Unwind Quotation is obtained.] (v) (a)

[**Dealer Rate** means, in respect of any Observation Date and a Reference Entity, the [indicative quotation] by a Swap Dealer of the Fixed Rate that such Swap Dealer would require to be paid in order for such Swap Dealer to sell credit default protection pursuant to a credit default swap on the terms of the Notional Credit Default Swap in relation to such Reference Entity on such day under which:

- (a) the relevant Swap Dealer is the Floating Rate Payer; and
- (b) the Effective Date is the Observation Date on which the Dealer Rate is being obtained.

The Calculation Agent shall obtain Dealer Rates from [five] Swap Dealers on any Observation Date, in each case if available from the relevant Swap Dealer at the time contacted by the Calculation Agent. For the avoidance of doubt a Swap Dealer may decline to give a Dealer Rate.] (b) (c)

[**Embedded Swap Unwind Amount** means an amount in the CDS Reference Currency determined by the Calculation Agent equal to the [lowest] Embedded Swap Unwind Quotation obtained from Swap Dealers on (i) for the purposes of determining a Credit Event Redemption Amount, the [second] Business Day immediately preceding the Credit Event Redemption Date or (ii) for the purposes of determining the Note Market Value on any relevant day, such day or, if only one such Embedded Swap Unwind Quotation is obtained, such Embedded Swap Unwind Quotation or, if no such Embedded

Swap Unwind Quotation is obtained, an amount determined by the Calculation Agent in good faith and a commercially reasonable manner as the Embedded Swap Unwind Amount which it determines would have prevailed on the relevant day but for such non availability. The Calculation Agent shall obtain Embedded Swap Unwind Quotations from [five] Swap Dealers on the relevant day, in each case if available from the relevant Swap Dealer at the time contacted by the Calculation Agent. For the avoidance of doubt a Swap Dealer may decline to give an Embedded Swap Unwind Quotation.] (iv) (a)

**[Embedded Swap Unwind Quotation]** means, in respect of any relevant day, the quotation obtained from a Swap Dealer expressed as an amount in the CDS Reference Currency that Party A as specified in the Notional Embedded Swap would be required to pay to Party B as specified in the Notional Embedded Swap (expressed as a positive amount) or that the Party B as specified in the Notional Embedded Swap would be required to pay to Party A as specified in the Notional Embedded Swap (expressed as a negative amount), in each case to enter into a hypothetical swap documented on the terms of the Notional Embedded Swap under which:

- (a) the relevant Swap Dealer is Party B; and
- (b) the Effective Date is the relevant day on which the Embedded Swap Unwind Quotation is obtained.] (iv) (a)

**[Fixed Rate]** means, in respect of an Observation Date and any Reference Entity, the [lowest] Dealer Rate obtained on such day for such Reference Entity, if only one Dealer Rate is obtained in respect of such day, such Dealer Rate, or if no Dealer Rate is obtained in respect of such day, a percentage calculated by the Calculation Agent acting in good faith and a commercially reasonable manner as the Fixed Rate for such Reference Entity which it determines would have prevailed at such time but for such non availability.] (b) (c)

**[Floating Rate Payer Calculation Amount]** means, in relation to any Reference Entity, the amount in the CDS Reference Currency specified as such in the Notional Credit Default Swap relating to such Reference Entity, subject to adjustment from time to time as provided in paragraph [●] [below].] (ii) (iii)

**[Gain Amount]** means (a) in the event that the Affected Reference Entity is a Short Reference Entity (if applicable), an amount in the CDS Reference Currency equal to the product of (i) the Floating Rate Payer Calculation Amount in relation to the Affected Reference Entity at the time the Final Price is determined and (ii) 100 per cent minus the Final Price in relation to the Affected Reference Entity as determined pursuant to Condition 8 (subject to a minimum of zero and a maximum of 100 per cent.) or (b) in the event that the Affected Reference Entity is a Long Reference Entity (if applicable), zero.] (iii)

**[Long Reference Entity]** means Reference Entity [●] [list by number all Reference Entities for which “long” credit exposure applies].] (ii) (iii) (v) (a) (b) (c)

**[Loss Amount]** means (a) in the event that the Affected Reference Entity is a Long Reference Entity (if applicable) an amount in the CDS Reference Currency equal to the product of (i) the Floating Rate Payer Calculation Amount in relation to the Affected Reference Entity at the time the Final Price is determined and (ii) 100 per cent minus the Final Price in relation to the Affected Reference Entity determined pursuant to Condition 8 (subject to a minimum of zero and a maximum of 100 per cent.) or (b) in the event that the Affected Reference Entity is a Short Reference Entity (if applicable), zero.] (ii)

**[Maximum CDS Fixed Rate]** means, in respect of Reference Entity [●], [●] per cent. [specify for each Long Reference Entity].] (b) (c)

**[Maximum CDS Inter Spread]** means [●] per cent.] (c)

**[Note Market Value]**, in respect of any day, means an amount in the Specified Currency determined by the Calculation Agent equal to (a) the Aggregate Nominal Amount Present Value plus (b), the sum of, in respect of each Long Reference Entity, the CDS Unwind Amount plus (c), the sum of, in respect of

each Short Reference Entity, the CDS Unwind Amount minus (d) the Embedded Swap Unwind Amount, in each case in respect of such day.] (d)

[**Notional Counterparty** means a market counterparty of the highest creditworthiness.] (ii) (iii) (iv) (v) (a) (b)

[**Notional Credit Default Swap** means, in relation to a Reference Entity, a notional credit default swap in relation to such Reference Entity which is deemed to be entered into by the Issuer with a Notional Counterparty on the terms set out in the relevant part of Schedule 2 to these Final Terms in relation to such Reference Entity.] (ii) (iii) (v) (a) (b) (c)

[**Notional Embedded Swap** means a notional currency and/or interest rate swap which is deemed to be entered into by the Issuer with a Notional Counterparty on the terms set out in Schedule 3 to these Final Terms.] (iv) (a)

[**Relevant FX Rate** means, for the purposes of converting into the Specified Currency any [Loss Amount,] [Gain Amount,] [Embedded Swap Unwind Amount or] [CDS Unwind Amount,] the currency exchange rate for the conversion of the CDS Reference Currency to the Specified Currency which the Calculation Agent determines would prevail at or about [●] [a.m./p.m.] (London time) on (i) the second Business Day immediately preceding the Credit Event Redemption Date[(in the case of a Loss Amount, Gain Amount or Embedded Swap Unwind Amount)] or (ii) on [the day on which the Final Price is determined pursuant to Condition 8] [(in the case of a CDS Unwind Amount)], in each case by reference to such source(s) as it may determine appropriate and where (i) the Relevant FX Rate is expressed as the amount of the Specified Currency which may be purchased with [●] 1 [[specify CDS Reference Currency] and (ii) the Relevant FX Rate is determined in relation to such amount of the CDS Reference Currency as the Calculation Agent may determine appropriate taking into account hedging arrangements of the Issuer and/or any of its Affiliates in relation to the Notes. (ii) (iii) (iv) (a)

[**Short Reference Entity** means Reference Entity [●] [list by number all Reference Entities for which “short” credit exposure applies].] (ii) (iii) (v) (a) (c)

[**Swap Dealers** means any [five] leading swap dealers in the relevant market selected by the Calculation Agent acting in a commercially reasonable manner which may include the Issuer and/or any of its Affiliates.] (iv) (v) (a) (b) (c)

[If applicable insert the following:

## [2.] TRIGGER EVENT ISSUER CALL

For the purposes only of a Trigger Event Issuer Call as specified in paragraph 21(A) of these Final Terms, the following shall be deemed to apply in place of Condition 6(d):

“(d) *Redemption at the option of the Issuer (Trigger Event Issuer Call)*

In the event that the Calculation Agent determines that a Trigger Event has occurred on any Observation Date, the Issuer shall have the right (but not the obligation) to redeem all but not some only of the Notes at [ ] per Calculation Amount [the Optional Redemption Amount per Calculation Amount on the Optional Redemption Date (which may fall after the Scheduled Maturity/Settlement Date)]. The Issuer shall give not less than [●] nor more than [●] days' notice (a ‘Call Notice’) of such redemption to the Noteholders in accordance with Condition 15 and the Principal Paying Agent giving details of the occurrence of the relevant Trigger Event. Following delivery of the relevant Call Notice the provisions of Condition 8 shall no longer apply.”

As used herein:

[**Conversion FX Rate** means], for the purposes of determining a Trigger Event on any Observation Date, the currency exchange rate for the conversion of the CDS Reference Currency to the Specified Currency which the Calculation Agent determines would prevail at or about [●] [a.m./p.m.] (London time) on such day by reference to such source(s) as it may determine appropriate and where the

Conversion FX Rate is expressed as the amount of the Specified Currency which may be purchased with [●] 1 *[[specify CDS Reference Currency]. (d)*

**[Maximum Conversion FX Rate]** means ● *[express in Specified Currency].] (d)*

**[Minimum Note Value]**, in respect of any day, means an amount in the Specified Currency equal to [●] per cent. of the Aggregate Nominal Amount of the Notes on such day.] (a)

**Observation Date** means any Business Day in the period [from and including the Issue Date to but excluding the Scheduled Maturity/Settlement Date.] (b) (c) (d)

**Trigger Event** means that as of any Observation Date in the determination of the Calculation Agent:

- (a) the Note Market Value is less as of such day than the Minimum Note Value; *[NB if this provision applies, insert and complete each definition above and in paragraph 1 marked “(a)”]*
- (b) the Fixed Rate of any Long Reference Entity as of such day is equal to the Maximum CDS Fixed Rate; *[NB if this provision applies, insert and complete each definition above and in paragraph 1 marked “(b)”]*
- (c) the Fixed Rate of any Long Reference Entity as of such day minus the Fixed Rate of any Short Reference Entity as of such day is greater than the Maximum CDS Inter Spread; *[NB if this provision applies, insert and complete each definition above and in paragraph 1 marked “(c)”]*
- (d) the Conversion FX Rate in respect of such day is greater than the Maximum Conversion FX Rate *[NB if this provision applies, insert and complete each definition above and in paragraph 1 marked “(d)”]*

*[specify other Trigger Events if applicable]*

*[If applicable insert the following:*

### **[3.] Reduction/Increase of the Aggregate Nominal Amount**

In the case of (a) some only of the Notes being purchased and cancelled pursuant to Condition 6(k) or (b) further notes being issued and consolidated to form a single Series with the Notes pursuant to Condition 17 or (c) a partial redemption of Notes pursuant to Condition 8(d), the Calculation Agent shall determine the appropriate decrease (in the case of (a)) or increase (in the case of (b)) to the *[include each applicable value]* [Fixed Rate Payer Calculation Amount] and [Floating Rate Payer Calculation Amount] specified in each Notional Credit Default Swap and the [Notional Amount], [Fixed Rate Payer Currency Amount], [Fixed Amount], [Floating Rate Payer Currency Amount] [Initial Exchange Amount] and [Final Exchange Amount] specified in the Notional Embedded Swap, in each case in a proportion corresponding to the relevant increase or decrease in the Aggregate Nominal Amount of the Notes as a result of (a), (b) or (c) above, as applicable, and may make such other amendments to the terms of the Conditions and these Final Terms (including each Notional Credit Default Swap and the Notional Embedded Swap) as it determines appropriate to preserve the economic effect of the Notes for the Noteholders following the relevant event at (a), (b) or (c) above, as applicable.]



*[If Securities are Credit Linked Securities and if applicable insert the following:*

## **SCHEDULE 2**

### **PART [1]**

#### **FORM OF NOTIONAL CREDIT DEFAULT SWAP CONFIRMATION IN RESPECT OF REFERENCE ENTITY [1]**

*[complete and set out a form of notional credit default swap in respect of each Reference Entity]*

Dear Sir/Madam,

The purpose of this letter (this **Confirmation**) is to confirm the terms and conditions of the Credit Derivative Transaction entered into between ABN AMRO BANK N.V. ('Party A') and [ ] ('Party B') on the Trade Date specified below (the 'Transaction').

The definitions and provision contained in the 2003 ISDA Credit Derivatives Definitions [as supplemented by *[specify any relevant supplement]*] (the 'Credit Derivatives Definitions'), [each] as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between the Credit Derivatives Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms a part of, and is subject to an agreement in the form of the 1992 ISDA Master Agreement (Multicurrency – Cross Border) (the 'Agreement') as if we had executed an agreement in such form (but without any Schedule except for the election of English Law as the governing law and [●] as the Termination Currency) on the Trade Date set out below. In the event of any inconsistency between the provisions of that Agreement and this Confirmation, this Confirmation will prevail for the purpose of this Transaction. All provisions contained in the Agreement govern this Confirmation except as expressly modified below

The terms of the Transaction to which this Confirmation relates are as follows:

#### **1. General Terms:**

Trade Date:	[ ]
Effective Date:	[ ]
Scheduled Termination Date:	[ ]
Floating Rate Payer ("Seller"):	Party [A/B]
Fixed Rate Payer ("Buyer"):	Party [A/B]
Calculation Agent:	Party A
Calculation Agent City:	[ ]
Business Day:	[ ]
Business Day Convention:	[Following][Modified Following][Preceding] (which, subject to Sections 1.4 and 1.6 of the Credit Derivatives Definitions, shall apply to any date referred to in this Confirmation that falls on a day that is not a Business Day).
Reference Entity:	[ ]
Reference Obligation(s):	[ ] The obligation[s] identified as follows:

Primary Obligor: [ ]

Guarantor: [ ]

Maturity: [ ]

Coupon: [ ]

CUSIP/ISIN:[ ]

All Guarantees:

[Applicable][Not Applicable]

Reference Price:

[ ] %]

## 2. Fixed Payments:

[Fixed Rate Payer Calculation Amount: [ ]]

[Fixed Rate Payer Period End Date: [ ]]

[Fixed Rate Payer Payment Date[s] [ ]]

Fixed Rate: [ ]

[Fixed Rate Day Count Fraction: [ ]]

[Fixed Amount: [ ]]

## 3. Floating Payment:

Floating Rate Payer Calculation Amount: [multiplied by the Leverage Factor]

[Leverage Factor:] [ ]

Conditions to Settlement:

Credit Event Notice

Notifying Party: Buyer [or Seller]

[Notice of Physical Settlement]

[Notice of Publicly Available Information  
Applicable]

[Public Source(s):[ ]]

[Specified Number:[ ]]

Credit Events:

The following Credit Event[s] shall apply to this  
Transaction:

[Bankruptcy]

[[Failure to Pay]

[Grace Period Extension Applicable]

[Grace Period: [ ]]

Payment Requirement: [ ]]

[Obligation Default]

[Obligation Acceleration]

[Repudiation/Moratorium]

[Restructuring]

[[Restructuring Maturity Limitation and  
Fully Transferable Obligation:

[Applicable]]

[[Modified Restructuring Maturity  
Limitation and Conditionally  
Transferable Obligation:

[Applicable]]

[[Multiple Holder Obligation:]

[Applicable]]

[Default Requirement: [            ]]

Obligation(s):

Obligation Category  
(Select only one):

Obligation Characteristics  
(Select all that apply):

- |   |  |
|---|--|
| <input type="checkbox"/> Payment                    | <input type="checkbox"/> Not Subordinated  |
| <input type="checkbox"/> Borrowed Money             | <input type="checkbox"/> Specified Currency:<br>[       ]                              |
| <input type="checkbox"/> Reference Obligations Only | <input type="checkbox"/> Not Sovereign Lender  |
|   | <input type="checkbox"/> Not Domestic Currency<br>[Domestic Currency means: [       ]] |
| <input type="checkbox"/> Bond                       | <input type="checkbox"/> Not Domestic Law  |
| <input type="checkbox"/> Loan                       | <input type="checkbox"/> Listed  |
| <input type="checkbox"/> Bond or Loan               | <input type="checkbox"/> Not Domestic Issuance   |

[and:]

[Specify any other obligations of a Reference Entity.]

[Excluded Obligations:]

[       ]

#### 4. Settlement Terms:

Settlement Method:

Physical Settlement

Terms Relating to Physical Settlement:

[Physical Settlement Period:

[       ] Business Days]

[Deliverable Obligations:

[Include Accrued Interest] [Exclude Accrued Interest]]

Deliverable Obligation(s):

*Deliverable Obligation  
Category  
(Select only one):*

*Deliverable Obligation Characteristics  
(Select all that apply):*

- |                                  |   |
|----------------------------------|---|
| <input type="checkbox"/> Payment | <input type="checkbox"/> Not Subordinated |
|----------------------------------|---|

Deliverable Obligation(s):	<i>Deliverable Obligation Category</i> (Select only one):	<i>Deliverable Obligation Characteristics</i> (Select all that apply):
	<input type="checkbox"/> Borrowed Money	<input type="checkbox"/> Specified Currency: [ ]
	<input type="checkbox"/> Reference Obligations Only	<input type="checkbox"/> Not Sovereign Lender
	<input type="checkbox"/> Bond	<input type="checkbox"/> Not Domestic Currency
	<input type="checkbox"/> Loan	<input type="checkbox"/> Domestic Currency means:
	<input type="checkbox"/> Bond or Loan	<input type="checkbox"/> Not Domestic Law
		<input type="checkbox"/> Listed
		<input type="checkbox"/> Not Contingent
		<input type="checkbox"/> Not Domestic Issuance
		<input type="checkbox"/> Assignable Loan
		<input type="checkbox"/> Consent Required Loan
		<input type="checkbox"/> Direct Loan Participation
		<input type="checkbox"/> Qualifying Participation Seller:
		<input type="checkbox"/>
		<input type="checkbox"/> Transferable
		<input type="checkbox"/> Maximum Maturity [ ]
		<input type="checkbox"/> Accelerated or Matured
		<input type="checkbox"/> Not Bearer

[and:]

[Specify any other obligations of a Reference Entity.]

[Excluded Deliverable Obligations:] [ ]

[Partial Cash Settlement of Consent Required Loans Applicable]

[Partial Cash Settlement of Assignable Loans Applicable]

[Partial Cash Settlement of Participations Applicable]

Escrow: [Applicable][Not Applicable]

## 5. Notice and Account Details:

Telephone and/or

Facsimile Numbers and

Contact Details for Notices:

Party A: [ ]

Party B: [ ]

## Account Details

Account Details of Party A: [ ]

Account Details of Party B: [ ]

## 6. [Offices

Party A: [ ]

Party B: [ ]]

[If Securities are Credit Linked Securities and if applicable insert the following]

### [SCHEDULE 3

#### FORM OF NOTIONAL EMBEDDED SWAP CONFIRMATION

Dear Sir/Madam,

The purpose of this letter (this **Confirmation**) is to confirm the terms and conditions of the Credit Derivative Transaction entered into between ABN AMRO BANK N.V. ('Party A') and [ ] ('Party B') on the Trade Date specified below (the 'Transaction').

The definitions and provisions contained in the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern.

This Confirmation constitutes a 'Confirmation' as referred to in, and supplements, forms a part of, and is subject to an agreement in the form of the 1992 ISDA Master Agreement (Multicurrency – Cross Border) (the 'Agreement') as if we had executed an agreement in such form (but without any Schedule except for the election of English Law as the governing law and [●] as the Termination Currency) on the Trade Date set out below. In the event of any inconsistency between the provisions of that provision of that Agreement and this Confirmation, this Confirmation will prevail for the purpose of this Transaction. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

The terms of the Transaction to which this Confirmation relates are as follows:

#### 1. General Terms:

[Notional Amount:]	[ ]
Trade Date:	[ ]
Effective Date:	[ ]
Termination Date:	[ ], subject to adjustment in accordance with the [Following/Modified Following/Preceding] Business Day Convention]
[Business Days for [first currency]:]	[ ]
[Business Days for second currency]:]	[ ]
[Business Day Convention:	[Following/Modified Following/Preceding]]
Calculation Agent:	[ ]

#### 2. Initial Exchange:

Initial Exchange Date:	[Effective Date][ ], subject to adjustment in accordance with the [Following/Modified Following/Preceding] Business Day Convention]
Party A Initial Exchange Amount:	[ ]
Party B Initial Exchange Amount:	[ ]

**3. [Interim Exchange:**

Interim Exchange Date: [ ][, subject to adjustment in accordance with the [Following/Modified Following/Preceding] Business Day Convention]

Party A Interim Exchange Amount: [ ]

Party B Interim Exchange Amount:] [ ]

**4. Final Exchange:**

Final Exchange Date: [Termination Date][ ][, subject to adjustment in accordance with the [Following/Modified Following/Preceding] Business Day Convention]

Party A Final Exchange Amount: [ ]

Party B Final Exchange Amount: [ ]

**5. Fixed Amounts:**

Fixed Rate Payer Currency Amount: [ ]

Fixed Rate Payer: Party [A/B]

Fixed Rate Payer Payment Date [or Period End Dates, if Delayed Payment or Early Payment applies]: [ ][, subject to adjustment in accordance with the [Following/Modified Following/Preceding] Business Day Convention]]

Fixed Rate: [ ]

Fixed Rate Day Count Fraction: [Actual/360, 30/360, Actual/365, Actual/365 (Fixed)]

**6. Floating Amounts:**

[Floating Rate Payer Currency Amount:] [ ]

Floating Rate Payer: Party [A/B]

Floating Rate Payer Payment Dates [or Period End Dates, if Delayed Payment or Early Payment applies]: [ ][, subject to adjustment in accordance with the [Following/Modified Following/Preceding] Business Day Convention]]

Floating Rate for the initial Calculation Period:] [ ]% p.a. ((inclusive/exclusive) of Spread)

Floating Rate Option: [ ]

Designated Maturity: [ ] months

Spread: [Plus/Minus [ ] %]/[None]

Floating Rate Day Count Fraction: [Actual/360, 30/360, Actual/365, Actual/365 (Fixed)]

Compounding: [Applicable/Not Applicable]

[Compounding Dates:] [ ]

Reset Dates: [ ] [, subject to adjustment in accordance with the  
[Following/Modified Following/Preceding] Business  
Day Convention]

[Reset Cut-off Dates:] [ ]

[Averaging:] [Applicable]

[Method of Averaging:] [Unweighted/Weighted Average]

**7. [Discounting:**

Discount Rate: [ ]

Discount Rate Day Count Fraction:] [ ]

**8. Account Details:**

Account(s) Details for Party A: [ ]

Account for Party B: [ ]

**9. Offices**

The office of Party A for this [ ]  
Transaction:

The office of Party B for this transaction: [ ]]



**[SCHEDULE [ ]]**

**(In relation to a tranche of Securities which is being increased and was originally issued under a Base Prospectus or Prospectus with an earlier date than the current Base Prospectus, insert full terms and conditions which shall be in the form set out in the previous Base Prospectus or Prospectus which, in the case of a listed issued shall have been previously approved by the relevant competent authority)]**

## TERMS AND CONDITIONS OF THE SECURITIES

*The following are the Terms and Conditions of the Securities to be issued by the Issuer which will be incorporated by reference into each global Security and which will be endorsed on (or, if permitted by the relevant stock exchange or other relevant authority (if any) and agreed between the Issuer and the relevant Dealer, incorporated by reference into) each definitive Security. The applicable Final Terms in relation to any Tranche of Securities may specify other terms and conditions which shall to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Securities. The applicable Final Terms will be endorsed on, incorporated by reference into, or attached to, each Temporary Global Security, Permanent Global Security, Regulation S Global Security, Restricted Global Security and definitive Security. Reference should be made to “Form of the Securities” above for a description of the content of Final Terms which includes the definition of certain terms used in the following Terms and Conditions.*

This Security is one of a series of Securities issued by ABN AMRO Bank N.V. (the ‘Issuer’ which term shall include any substitute Issuer pursuant to Condition 16 (Meetings of Securityholders, Modification and Waiver, Substitution) below) pursuant to the Agency Agreement (as defined below). References herein to the “Securities” shall be references to the Securities of this Series (as defined below) and shall mean (i) in relation to any Securities represented by a global Security, units of each Specified Denomination in the Specified Currency, (ii) definitive Securities issued in exchange (or part exchange) for a global Security and (iii) any global Security. The Securities, the Receipts (as defined below) and the Coupons (as defined below) also have the benefit of an amended and restated Agency Agreement dated 11 July 2008 (as amended and/or restated from time to time, the ‘Agency Agreement’) and made between the Issuer, Citibank, N.A., as issuing and principal paying agent (in such capacity the ‘Principal Paying Agent’, which expression shall include any successor such agent) and as exchange agent (the ‘Exchange Agent’, which expression shall include any successor exchange agent), Citigroup Global Markets Deutschland AG & Co. KGaA as registrar (the ‘Registrar’, which expression shall include any successor registrar), the other paying agents named therein (together with the Principal Paying Agent, the ‘Paying Agents’, which expression shall include any additional or successor paying agents) and the transfer agents named therein (the ‘Transfer Agents’, which expression shall include any additional or successor transfer agents). Securities are either Notes (‘Notes’) or Certificates (‘Certificates’) as specified in the applicable Final Terms. Conditions 4(a)-(e), 6(h) and 6(l) shall apply only to Notes and Condition 4(f) shall apply only to Certificates.

Interest-bearing definitive Bearer Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (‘Coupons’) and, if indicated in the applicable Final Terms, talons for further Coupons (‘Talons’) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (‘Receipts’) for the payment of the instalments of principal (other than the final instalment) attached on issue.

Any reference herein to “Securityholders” shall mean the holders of the Securities and shall, in relation to any Securities represented by a global Security, be construed as provided below. Any reference herein to “Receiptholders” shall mean the holders of the Receipts and any reference herein to “Couponholders” shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons. Definitive Registered Notes do not have Receipts or Coupons attached on issue.

The final terms for this Security are set out in Part A of the Final Terms endorsed hereon or attached hereto or incorporated by reference herein and supplement these Terms and Conditions (the ‘Conditions’) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Security. References herein to the “applicable Final Terms” are to the Final Terms for this Security.

As used herein, ‘Tranche’ means Securities which are identical in all respects (including as to listing and admission to trading) and ‘Series’ means a Tranche of Securities together with any further Tranche or Tranches

of Securities which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates (if applicable) and Issue Prices.

The Securityholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the 'Deed of Covenant') executed by the Issuer and dated 11th January, 2006. The original of the Deed of Covenant is held by a common depository on behalf of Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement, the applicable Final Terms and the Deed of Covenant are available at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents save that Final Terms relating to a Security which is neither 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, will only be available for inspection by a Securityholder upon such Securityholder producing evidence as to identity satisfactory to the relevant Paying Agent, Registrar or Transfer Agent, as the case may be. The Securityholders, 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 Deed of Covenant and the applicable Final Terms which are binding on them.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

## **1. Form, Denomination and Title**

The Securities are in bearer form ('Bearer Securities') or in registered form ('Registered Securities') as specified in the applicable Final Terms and, in the case of definitive Securities, will be serially numbered, in the Specified Currency and in the Specified Denomination(s).

If this Security is a Note it may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Security is a Note it may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Each Tranche of Bearer Securities will be initially represented by either a temporary global Security or a permanent global Security (as so specified in the applicable Final Terms) without Receipts, Coupons or Talons (each, a 'Temporary Global Security' or a 'Permanent Global Security' as applicable) which will:

- (a) in the case that the relevant global Security is intended to be issued in new global note ('NGN') form, as stated in the Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safe keeper for Euroclear Bank S.A./N.V. ('Euroclear') and Clearstream Banking, société anonyme ('Clearstream, Luxembourg'); or
- (b) in the case that the relevant global Security is not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depository for Euroclear and Clearstream, Luxembourg.

On or after the fortieth day after the date of its issue, beneficial interests in a Temporary Global Security will be exchangeable upon a request as described therein either for interests in a Permanent Global Security or for definitive Bearer Securities (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Securities, to such notice period as is specified in the applicable Final Terms), in each case against certification to the effect that the beneficial owner of interests in such Temporary Global Security is not a U.S. person or a person who has purchased for resale to any U.S. person, as required by U.S. Treasury regulations. Unless otherwise specified in the applicable Final Terms, a Permanent Global Security will be exchangeable

(free of charge), in whole but not in part for definitive Bearer Securities with, where applicable in the case of Notes, Receipts, Coupons and Talons attached only upon the occurrence of an Exchange Event as described therein.

Bearer Notes in definitive form are issued with Coupons and (if applicable) Receipts and Talons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Conditions are not applicable.

Unless otherwise provided with respect to a particular series of Registered Securities, Registered Securities of each Tranche sold outside the United States to persons that are not U.S. persons ('U.S. Persons') (as defined in Regulation S ('Regulation S') under the United States Securities Act of 1933, as amended (the 'Securities Act')) will, unless, otherwise specified in the applicable Final Terms, be represented by a permanent global Registered Security, without Receipts, Coupons or Talons, (each, a 'Regulation S Global Security'), deposited with Citibank, N.A. as custodian for, and registered in the name of Cede & Co. as nominee of, The Depository Trust Company ('DTC') for the accounts of Euroclear and Clearstream, Luxembourg. Securities in definitive registered form ('Definitive Registered Securities') issued in exchange for Regulation S Global Securities or otherwise sold or transferred in reliance on Regulation S under the Securities Act, together with the Regulation S Global Securities, are referred to herein as 'Regulation S Securities'. With respect to all offers or sales of an unsold allotment or subscription and in any case prior to expiry of the period that ends 40 days after the later of the relevant Issue Date and completion of the distribution of each Tranche of Securities, as certified by the relevant Dealer, in the case of a non-syndicated issue, or by the lead manager, in the case of a syndicated issue (the 'Distribution Compliance Period'), beneficial interests in a Regulation S Global Security may not be offered or sold to, or for the account or benefit of, a U.S. person (save as otherwise provided in Condition 2) and may be held only through Euroclear or Clearstream, Luxembourg. After the expiry of such Distribution Compliance Period, beneficial interests in a Regulation S Security may be held through DTC directly by a participant in DTC or indirectly through a participant in DTC.

Registered Securities of each Tranche sold to qualified institutional buyers within the meaning of Rule 144A ('Rule 144A') under the Securities Act ('QIBs') in reliance on Rule 144A or in a transaction otherwise exempt from registration under the Securities Act will, unless otherwise specified in the applicable Final Terms, be represented by a restricted permanent global Registered Security, without Receipts, Coupons or Talons (each, a 'Restricted Global Security' and, together with any Regulation S Global Security, the 'Registered Global Securities') deposited with a custodian for, and registered in the name of Cede & Co. as the nominee of, DTC. Securities in definitive form issued in exchange for Restricted Global Securities or otherwise sold or transferred in accordance with the requirements of Rule 144A under the Securities Act, together with the Restricted Global Securities, are referred to herein as 'Restricted Securities'.

Registered Securities of each Tranche sold within the United States to institutions that are accredited investors (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) ('Institutional Accredited Investors') pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act who agree to purchase the Securities for their own account and not with a view to the distribution thereof will be issued as Definitive Registered Securities only, registered in the name of the holder thereof and will not be represented by a global Security.

Definitive Registered Securities issued to Institutional Accredited Investors and Restricted Global Securities shall bear a legend specifying certain restrictions on transfer (each, a 'Legend'), such Securities being referred to herein as 'Legended Securities'. Upon the transfer, exchange or replacement of Legended Securities, or upon specific request for removal of a Legend, the Principal Paying Agent shall (save as provided in Condition 2) deliver only Legended Securities or refuse to remove such 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, the United States Investment Company Act of 1940, as amended, Regulation S or Rule 144A.

Subject as otherwise provided in Condition 2, Definitive Registered Securities may be exchanged or transferred in whole or in part in the Specified Denominations for one or more Definitive Registered Securities of like aggregate nominal amount.

Each Definitive Registered Security will be numbered serially with an identifying number which will be recorded in the register (the 'Register') which the Issuer shall procure to be kept by the Registrar.

Subject as set out below, title to Bearer Securities, Receipts and Coupons will pass by delivery. Title to Registered Securities will pass upon registration of transfers in the books of the Registrar. The Issuer, the Principal Paying Agent, any other Paying Agent, the Registrar and any Transfer Agent may deem and treat the bearer of any Bearer Security, Receipt or Coupon and any person in whose name a Registered Security is registered as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Security, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Bearer Securities is represented by a global Bearer Security held by a common depositary on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg, as the holder of a particular nominal amount of such Securities (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Securities 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, any Paying Agent, the Registrar, the Exchange Agent and any Transfer Agent as the holder of such nominal amount of such Securities for all purposes other than with respect to the payment of any amounts on the Securities, for which purpose the bearer of the relevant global Security shall be treated by the Issuer, any Paying Agent, the Registrar, the Exchange Agent and any Transfer Agent as the holder of such Securities in accordance with and subject to the terms of the relevant global Security (and the expressions 'Securityholder' and 'holder of Securities' and related expressions shall be construed accordingly).

For so long as DTC or its nominee is the registered owner or holder of a Registered Global Security, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Securities represented by such Registered Global Security for all purposes under the Agency Agreement and the Securities 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.

Securities which are represented by a global Security will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and DTC, as the case may be. References to Euroclear, Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Principal Paying Agent and specified in the applicable Final Terms.

## **2. Exchange and Transfers of Registered Securities**

### *(a) Exchange of interests in Registered Global Securities for Definitive Registered Securities*

Unless otherwise specified in the applicable Final Terms, interests in any Registered Global Security will be exchangeable for Definitive Registered Securities, if (i) Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, notifies the Issuer that it is unwilling or unable to continue as depositary for such Registered Global Security, (ii) if applicable, DTC ceases to be a 'Clearing Agency' registered under the United States Securities Exchange Act of 1934 (the 'Exchange Act') or both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 15 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business, or do in fact do so, and a successor depositary or alternative clearing system satisfactory to the Issuer is not available, or (iii) an Event of Default (as defined in Condition 11) has occurred and is continuing with respect to such Securities. Upon the occurrence of any of the events described in the preceding sentence, the Issuer will cause the appropriate Definitive Registered Securities

to be delivered, provided that, notwithstanding the above, no Definitive Registered Securities will be issued until expiry of the applicable Distribution Compliance Period.

*(b) Transfers of Registered Global Securities*

Transfers of any Registered Global Security shall be limited to transfers of such Registered Global Security, in whole but not in part, to a nominee of DTC or to a successor of DTC or such successor's nominee.

*(c) Transfers of interests in Regulation S Securities*

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Security to a transferee in the United States or who is a U.S. Person will only be made:

- (i) upon receipt by the relevant Transfer Agent of a written certification in the form set out in the Agency Agreement, amended as appropriate (a 'Transfer Certificate'), copies of which are available from the specified office of any Transfer Agent, from the transferor of the Security or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
- (ii) otherwise pursuant to the Securities Act or an exemption therefrom, 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 federal securities laws of the United States or any applicable securities laws of any State 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.

In the case of (i) above, such transferee may take delivery through a Legended Security in global or definitive form and, in the case of (ii) above, such transferee may take delivery only through a Legended Security in definitive form. After expiry of the applicable Distribution Compliance Period (a) beneficial interests in Regulation S Securities may be held through DTC directly by a participant in DTC or indirectly through a participant in DTC and (b) such certification requirements will no longer apply to such transfers.

*(d) Transfers of interests in Legended Securities*

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

- (i) to a transferee who takes delivery of such interest through a Regulation S Security, upon receipt by the relevant Transfer Agent of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Securities being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (ii) to a transferee who takes delivery of such interest through a Legended Security:
  - (A) 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) where the transferee is an Institutional Accredited Investor, subject to delivery to the relevant Transfer Agent of a Transfer Certificate from the transferor to the effect that such transfer is being made to an Institutional Accredited Investor, together with a duly executed investment letter from the relevant transferee substantially in the form set out in the Agency Agreement (an 'IAI Investment Letter'); or

provided, however, that transfers of interests in Legended Securities from QIBs to Institutional Accredited Investors shall not be permitted or

- (iii) otherwise pursuant to the Securities Act or an exemption therefrom, 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 federal securities laws of the United States or any applicable securities laws of any State of the United States (such evidence may also be required in connection with transactions described in (ii)(B) above),

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

Securities transferred by Institutional Accredited Investors to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC and the Registrar will arrange for any Securities which are the subject of such a transfer to be represented by the appropriate Registered Global Security, where applicable.

*(e) Exchanges and transfers of Registered Securities generally*

Registered Securities may not be exchanged for Bearer Securities and vice versa.

Transfers of beneficial interests in Registered Global Securities will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by 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 Registered Global Security will be transferable and exchangeable for Securities in definitive form or for a beneficial interest in another Registered Global Security only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be (the 'Applicable Procedures').

Upon the terms and subject to the conditions set forth in the Agency Agreement, a Definitive Registered Security may be transferred in whole or in part (in the Specified Denominations) by the holder or holders surrendering the Definitive Registered Security for registration of the transfer of the Definitive Registered Security (or the relevant part of the Definitive Registered Security) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and upon the Registrar or, as the case may be, the relevant Transfer Agent, after due and careful enquiry, being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer and the Registrar or, as the case may be, the relevant Transfer Agent may prescribe, including any restrictions imposed by the Issuer on transfers of Definitive Registered Securities originally sold to a U.S. Person. Subject as provided above, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations) authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request, a new Definitive Registered Security of a like aggregate nominal amount to the Definitive Registered Security (or the relevant part of the Definitive Registered Security) transferred. In the case of the transfer of part only of a Definitive Registered Security, a new Definitive Registered Security in respect of the balance of the Definitive Registered Security not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

Exchanges or transfers by a holder of a Definitive Registered Security for an interest in, or to a person who takes delivery of such Security through, a Registered Global Security will be made no later than 30 days after the receipt by the relevant Transfer Agent of the Definitive Registered Security to be so exchanged or transferred and, if applicable, upon receipt by the relevant Transfer Agent of a written certification from the transferor.

*(f) Registration of transfer upon partial redemption*

In the event of a partial redemption of Securities under Condition 6(c), the Issuer shall not be required to register the transfer of any Registered Security, or part of a Registered Security, called for partial redemption.

(g) *Closed Periods*

No Securityholder may require the transfer of a Registered Security to be registered during the period of 15 days ending on the due date for any payment of principal or interest on that Security.

(h) *Costs of exchange or registration*

Registration of exchanges or transfers will be effected without charge by or on behalf of the Issuer, the Registrar or the relevant Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may reasonably require) in respect of any tax or other governmental charges which may be imposed in relation to it.

### 3. **Status of the Securities**

The Securities constitute unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, save for those preferred by mandatory provisions of law.

### 4. **Interest and Interim Amounts**

*Sections (a) – (e) of this Condition apply only to Notes and Section (f) applies only to Certificates.*

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year and up to and including the Maturity Date. For so long as any of the Fixed Rate Notes is represented by a Global Note, interest will be calculated on the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the full amount paid up). In respect of each definitive Fixed Rate Note, interest will be calculated on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up).

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

Except in the case of Notes in definitive form, where a Fixed Coupon Amount or a Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, unless such period is an annual period, 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. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

‘Day Count Fraction’ means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):



- (i) if 'Actual/Actual (ICMA)' is specified in the applicable Final Terms:
  - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the 'Accrual Period') is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year; or
  - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if '30/360' is specified in the applicable Final Terms, the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these 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;

'Determination Period' means 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 a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

'sub-unit' means 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.

*(b) Interest on Floating Rate Notes and Index Linked Interest Notes*

*(i) Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest from (and including) the Interest Commencement Date at the rate equal to the Rate of Interest payable in arrear on either:

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

Such interest will be payable in respect of each Interest Period (which expression shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date). For so long as any of the Floating Rate Notes or Index Linked Interest Notes is represented by a Global Note, interest will be calculated on the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the full amount paid up). In respect of each definitive Floating

Rate Note or Index Linked Interest Note, interest will be calculated on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up).

If any Interest Payment Date (or other date) is specified in the applicable Final Terms to be subject to adjustment in accordance with a business day convention and (x) there is no numerically corresponding day in the calendar month on which an Interest Payment Day should occur or (y) 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:

- (1) in any case where Interest Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (or other date) (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply mutatis mutandis or (ii) in the case of (y) 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 (A) such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date (or other date) occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date (or other 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 (or other date) shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day.

As used herein, 'Business Day' means a day which is both:

- (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 London and each Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any amount payable in a Specified Currency other than euro, 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 of the country of the relevant Specified Currency (if other than London or any Additional Business Centre and which if the Specified Currency is Australian dollars shall be Sydney) or (2) in relation to any amount payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (the 'TARGET System') is open (a 'TARGET Day').

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of the Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms on the following basis:

(A) ISDA Determination

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable 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 Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of

an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. ("ISDA") and as amended and updated as at the Issue Date of the first Tranche of the Notes (the 'ISDA Definitions') and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is the period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) 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 (ii) in any other case, as specified in the applicable 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.

When this sub-paragraph (A) applies, in respect of each relevant Interest Period the Principal Paying Agent will be deemed to have discharged its obligations under Condition 4(b)(iv) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (A).

(B) Screen Rate Determination

Where Screen Rate Determination is specified in the applicable 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:

- (1) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (2) 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 per annum) 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 Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more 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 Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest pursuant to this sub-paragraph (B) in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such quotation appears or, in the case of (2) 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 applicable 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 applicable Final Terms.

(iii) Minimum and/or Maximum Rate of Interest

If the applicable Final Terms specifies a minimum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be less than such minimum Rate of Interest and/ or if it specifies a maximum Rate of Interest for any Interest Period, then the Rate of Interest for such Interest Period shall in no event be greater than such maximum Rate of Interest.

(iv) Determination of Rate of Interest and Calculation of Interest Amount

The Principal Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, or, in each case, such other agent as is specified in the applicable Final Terms 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 and calculate the amount of interest payable in respect of each Specified Denomination (each an 'Interest Amount') for the relevant Interest Period.

In the case of Index Linked Interest Notes, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Principal Paying Agent and the Calculation Agent, as the case may be, will calculate the amount of interest (the 'Interest Amount') payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, 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. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

'Day Count Fraction' means, in respect of the calculation of an amount of interest in accordance with this Condition 4(b):

- (i) if 'Actual/Actual (ISDA)' or 'Actual/Actual' is specified in the applicable 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);
- (ii) if 'Actual/365 (Fixed)' is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if 'Actual/365 (Sterling)' is specified in the applicable 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;
- (iv) if 'Actual/360' is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if '30/360', '360/360' or 'Bond Basis' is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

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

where:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period unless such number is 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" 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 D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (vi) if '30E/360' or 'Eurobond Basis' is specified in the applicable 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:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Interest Period unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" 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 D<sub>2</sub> will be 30;

- (vii) If 30E/360 (ISDA) is specified in the applicable 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:

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D<sub>1</sub>" 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 D<sub>1</sub> will be 30; and

"D<sub>2</sub>" 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, in which case D<sub>2</sub> will be 30.]

(v) Notification of Rate of Interest and Interest Amount

The Principal Paying Agent or such other agent as is specified in the applicable Final Terms 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 and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 as soon as possible after their determination and where practicable on or prior to the first London Business Day of the relevant Interest Period but in no event later than the fourth London Business Day after their determination. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) 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 or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 15. 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 general 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 paragraph (b) by the Principal Paying Agent, the Calculation Agent or such other agent as is specified in the applicable Final Terms shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, such other agent, if applicable, the other Paying Agents, the Registrar and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent, the Calculation Agent or that other agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Dual Currency Interest Notes*

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

(d) *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 as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(e) *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:

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the moneys payable has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 15 or individually;

Provided That if Condition 8(b) or Condition 8(c) applies in respect of the Notes and

- (A) 'Accrual of Interest upon Credit Event' is specified as not applying in the applicable Final Terms, each Note shall cease to bear interest from the Interest Payment Date immediately preceding the Credit Event Determination Date, or if the Credit Event Determination Date coincides with an Interest Payment Date such Interest Payment Date or, if the Credit Event

Determination Date falls prior to the first Interest Payment Date, no interest shall accrue on the Notes; or

- (B) 'Accrual of Interest upon Credit Event' is specified as applying in the applicable Final Terms, each Note shall cease to bear interest from the Credit Event Determination Date and the final payment of interest shall be payable on the Credit Event Redemption Date or Settlement Date, as applicable and no further interest shall be payable in respect of such delay; and

Provided Further That if

- (A) Condition 8(d) or Condition 8(e) applies in respect of the Notes and a Repudiation/Moratorium has not occurred on or prior to the Repudiation/Moratorium Evaluation Date or a Failure to Pay has not occurred on or prior to the Grace Period Extension Date, as the case may be; and/or
- (B) Condition 8(f) applies in respect of the Notes and the Scheduled Maturity/Settlement Date, the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date, as the case may be, is postponed as provided therein,

then interest will accrue as provided in Condition 8(d), Condition 8(e) or Condition 8(f), as the case may be.

(f) *Interim Amount*

(i) *Interim Amount on Certificates*

If so specified in the applicable Final Terms, an Interim Amount shall be payable in respect of each Certificate on each Interim Amount Payment Date. The Interim Amount(s) shall equal to such amount(s) or be calculated in such manner as is specified in the applicable Final Terms.

(ii) *Interim Amount Payment Date*

Interim Amount Payment Date(s) means the date(s) specified in the applicable Final Terms as Interim Amount Payment Date(s).

(iii) *Other Terms*

The payment of Interim Amounts in respect of each Certificate shall be subject to any other terms specified in the applicable Final Terms.

## **5. Payments and Physical Settlement**

(a) *Method of Payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by transfer to an account in the relevant Specified Currency (which in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or 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, shall be Sydney); and
- (ii) payments in euro will be made by credit or transfer to a euro account or any account to which euro may be credited or transferred specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9.

(b) *Presentation of Securities, Receipts and Coupons*

Payments of principal in respect of definitive Bearer Securities 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

only of any sum due, endorsement) of definitive Bearer Securities, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment only of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent (in the case of any payments to be made in U.S. dollars, outside the United States).

Notwithstanding the foregoing, U.S. dollar payments of principal and, if applicable, interest in respect of any Bearer Securities will be made at the specified office of a Paying Agent in 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)) 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, if applicable, interest on the Bearer Securities in the manner provided above when due;
- (ii) payment of the full amount of such 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, if applicable, interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer only, adverse tax consequences to the Issuer.

In respect of Bearer Notes in definitive form, payments of instalments of principal (if any), other than the final instalment, 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 only of any sum due, endorsement) of the relevant Receipt. Payment of the final instalment will be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment only of any sum due, endorsement) of the relevant Bearer Note. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer 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 in definitive bearer form (other than Dual Currency Notes, Index Linked Notes and Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling 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 ten years after the Relevant Date (as defined in Condition 9) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) or, if later, five years from the date on which such Coupon would otherwise have become due. Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Receipts and Talons (if any) appertaining thereto will become void and no payments in respect of any such Receipts and no further Coupons in respect of any such Talons will be made or issued, as the case may be.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Interest Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Receipts, 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 further Coupons shall be made in respect thereof. Where any such Note is presented for redemption without all unmatured Receipts, Coupons or Talons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require. A 'Long Maturity Note' is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the



Fixed Interest Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer 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 (or, in the case of part payment only of any sum due, endorsement) of the relevant definitive Bearer Note.

Payments of principal and interest (if any) in respect of Bearer Securities represented by any global Security will (subject as provided below) be made in the manner specified above in relation to definitive Securities and otherwise in the manner specified in the relevant global Security against presentation or surrender, as the case may be, of such global Security at the specified office of any Paying Agent. A record of each payment made against presentation or surrender of such global Security, distinguishing between any payment of principal and any payment of interest, if applicable, will be made on such global Security by such Paying Agent and such record shall be prima facie evidence that the payment in question has been made.

Payments of principal (other than instalments of principal (if any) prior to the final instalment) in respect of Registered Securities (whether in definitive or global form) will be made in the manner specified in paragraph (a) to the persons in whose name such Securities are registered at the close of business on the business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) immediately prior to the relevant payment date against presentation and surrender (or, in the case of part payment only of any sum due, endorsement) of such Registered Securities at the specified office of any Paying Agent.

Payments of interest due on a Registered Note (whether in definitive or global form) and payments of instalments of principal (if any) due on a Registered Note (other than the final instalment) will be made in the manner specified in paragraph (a) to the person in whose name such Registered Note is registered at the close of business on the fifteenth day (whether or not such fifteenth day is a business day (being for this purpose a day on which banks are open for business in the city where the Registrar is located) (the 'Record Date')) prior to such due date. In the case of payments by cheque, cheques will be mailed to the holder (or the first named of joint holders) at such holder's registered address on the business day (as described above) immediately preceding the due date.

If payment in respect of any Registered Securities is required to be made by transfer as referred to in paragraph (a) above, application for such payment must be made by the holder to the Principal Paying Agent not later than the relevant Record Date.

All amounts payable to DTC or its nominee, Cede & Co., as registered holder of a Registered Global Security in respect of Securities denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Principal Paying Agent to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for payment in such Specified Currency or conversion into U.S. dollars in accordance with the provisions of the Agency Agreement.

The holder of a global Security shall be the only person entitled to receive payments in respect of Securities represented by such global Security and the Issuer will be discharged by payment to, or to the order of, the holder of such global Security in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Securities represented by such global Security must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer to, or to the order of the holder of such global Security. No person other than the holder of such global Security shall have any claim against the Issuer in respect of any payments due on such global Security.

*(c) Payment Day*

If the date for payment of any amount in respect of any Security, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and

shall not be entitled to further interest or other payment in respect of such delay. For these purposes (unless otherwise specified in the applicable Final Terms), 'Payment Day' means any day which is both:

- (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 the relevant place of presentation, London and each Additional Financial Centre specified in the applicable Final Terms;
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, 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 of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars shall be Sydney) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open; and
- (iii) in the case of any payment in respect of a Registered Global Security 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 account holder of DTC (with an interest in such Registered Global Security) has elected to receive any 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.

*(d) Interpretation of Principal and Interest*

Any reference in these Conditions to principal in respect of the Securities shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Final Settlement Amount of the Certificates;
- (iv) the Early Redemption Amount of the Securities;
- (v) the Optional Redemption Amount(s) (if any) of the Securities;
- (vi) in relation to Instalment Notes, the Instalment Amounts;
- (vii) in relation to Zero Coupon Notes, the Amortised Face Amount; and
- (viii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Securities.

Any reference in these Conditions to interest in respect of the Securities shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9.

*(e) Physical Delivery*

- (i) If any Security other than a Restricted Security is to be redeemed by delivery of an Asset Amount(s), in order to obtain delivery of such Asset Amount(s):
  - (A) if such Security is represented by a Global Security, the relevant Securityholder must deliver to Euroclear or Clearstream, Luxembourg (as applicable), with a copy to the Issuer not later than the close of business in each place of reception on the Cut-Off Date, a duly completed Asset Transfer Notice; and
  - (B) if such Security is in definitive form, the relevant Securityholder must deliver this Security to any Paying Agent with a copy to the Issuer not later than the close of business in each place of reception on the Cut-Off Date, together with a duly completed Asset Transfer Notice.

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 Security is represented by a Global Security, in such manner as is acceptable to Euroclear or Clearstream, Luxembourg, as the case may be, or (ii) if such Security is in definitive form, in writing or by authenticated SWIFT message.

If this Security is in definitive form, this Security must be delivered together with the duly completed Asset Transfer Notice.

An Asset Transfer Notice must:

- (1) specify the name and address of the relevant Securityholder, 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 applicable Final Terms;
- (2) in the case of Securities represented by a Global Security, specify the nominal amount of Securities which are the subject of such notice and the number of the Securityholder's account at Euroclear or Clearstream, Luxembourg, as the case may be, to be debited with such Securities and irrevocably instruct and authorise Euroclear or Clearstream, Luxembourg, as the case may be, to debit the relevant Securityholder's account with such Securities on or before the Settlement Date;
- (3) include an undertaking to pay all Delivery Expenses and, in the case of Securities represented by a Global Security, an authority to debit a specified account of the Securityholder at Euroclear or Clearstream, Luxembourg, as the case may be, in respect thereof and to pay such Delivery Expenses;
- (4) specify an account to which any amounts payable pursuant to Condition 8(h) (in the case of Credit Linked Securities) or any other cash amounts specified in the Conditions or applicable Final Terms as being payable are to be paid; and
- (5) 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, Luxembourg or a Paying Agent, as the case may be, as provided above. After delivery of an Asset Transfer Notice, the relevant Securityholder may not transfer the Securities which are the subject of such notice.

In the case of Securities represented by a Global Security, upon receipt of such notice, Euroclear or Clearstream, Luxembourg, as the case may be, shall verify that the person specified therein as the Securityholder is the holder of the specified nominal amount of Securities 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 notice has been properly completed and delivered as provided in these Conditions shall be made, in the case of Securities represented by a Global Note, by Euroclear or Clearstream, Luxembourg, as the case may be, after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant Securityholder and, in the case of Securities in definitive form, by the relevant Paying Agent after consultation with the Issuer and shall be conclusive and binding on the Issuer and the relevant Securityholder.

Delivery of the Asset Amount(s) in respect of each Security shall be made at the risk of the relevant Securityholder in such commercially reasonable manner as the Calculation Agent shall in its sole and absolute discretion determine and notify to the person designated by the Securityholder in the relevant Asset Transfer Notice or in such manner as is specified in the applicable Final Terms.

If a Securityholder fails to give an Asset Transfer Notice as provided herein on or prior to the Cut-Off Date specified in the applicable Final Terms, the Issuer will, subject as provided above, deliver the assets constituting the Asset Amount(s) in respect of the relevant Securities as soon as practicable after

the receipt of the duly completed Asset Transfer Notice, (in which case such date of delivery shall be the Settlement Date) at the risk of the Securityholder Provided That if, in respect of a Security, a Securityholder fails to give an Asset Transfer Notice prior to the day falling 180 calendar days after the Cut-Off Date, the Issuer shall instead redeem such Security by payment of the fair market value of the Security less a *pro rata* share of all costs, expenses (including loss of funding), tax and duties incurred by the Issuer and/or any of its Affiliates in connection with the redemption of such Securities and the related termination, settlement or re-establishment of any hedge or related trading position, all as determined by the Calculation Agent in its sole and absolute discretion by reference to such factor(s) as it may deem appropriate.

Any such payments shall be made in the manner notified by the Issuer in accordance with Condition 15. Following any such payment the obligations of the Issuer in respect of such Securities shall be discharged and the Issuer shall have no liability in respect thereof.

- (ii) If any Restricted Security is to be redeemed by delivery of the Asset Amount, the relevant provisions relating to such delivery shall be set out in the applicable Final Terms.
- (iii) All Delivery Expenses arising from the delivery of the Asset Amount in respect of any Securities shall be for the account of the relevant Securityholder and no delivery of any Asset Amount shall be made until all Delivery Expenses have been paid to the satisfaction of the Issuer by the relevant Securityholder.

After delivery of an Asset Amount in respect of a Security and for the Intervening Period, none of the Issuer, the Calculation Agent or any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Securityholder or any subsequent transferee 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, (ii) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such securities or obligations included in such Asset Amount or (iii) be under any liability to a Securityholder or any subsequent transferee in respect of any loss or damage which such Securityholder 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.

For the purposes of the Securities (i) the Issuer shall be under no obligation to register or procure the registration of any Securityholder or any other person as the registered owner of any relevant assets comprised in an Asset Amount (including in any share register) and (ii) 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 asset executed on the Settlement 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 Securityholder shall be paid to the account specified in the relevant Asset Transfer Notice.

- (iv) This Condition 5(e)(iv) shall apply only in relation to Securities which are not Credit Linked Securities. In relation to Credit Linked Securities the separate provisions of Condition 8(g) and (b) apply.

In relation to each Security which is to be redeemed by delivery of the Asset Amount, the Asset Amount will be delivered at the risk of the relevant Securityholder, in the manner provided above on (i) the Maturity Date, in the case of Notes, or (ii) the Final Settlement Date, in the case of Certificates (such date, subject to adjustment in accordance with this Condition the 'Settlement Date'), provided that the Asset Transfer Notice is duly delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent 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 applicable Final Terms or, in the case of Restricted Securities, the relevant provisions of the applicable Final Terms are observed.

Prior to the delivery of the Asset Amount in accordance with this Condition, if a Settlement Disruption Event is subsisting in respect of any Securities, then the Settlement Date in respect of each such Security shall be postponed until the date on which no Settlement Disruption Event is subsisting and notice thereof shall be given to the relevant Securityholder, in accordance with Condition 15. Such Securityholder shall not be entitled to any payment, whether of interest or otherwise, on such Security 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 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 Security 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 and absolute discretion to satisfy its obligations in respect of the relevant Security by payment to the relevant Securityholder 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 Securityholders in accordance with Condition 15. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Securityholders in accordance with Condition 15.

Where the Asset Amount is, in the determination of the Issuer, an amount other than an amount of assets capable of being delivered, the Securityholders 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 Securityholder'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 and absolute 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 Securityholders in accordance with Condition 15.

(v) As used herein:

'Asset Transfer Notice' means a duly completed asset transfer notice substantially in the form set out in the Agency Agreement.

'Asset Amount' is as specified in the applicable Final Terms or, in the case of Credit Linked Securities, is as defined in Condition 8(j).

'Cut-off Date' is as specified in the applicable Final Terms.

'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 an Asset Amount.

'Disruption Cash Settlement Price' means an amount equal to the fair market value of the relevant Security 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 that 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.

'Intervening Period' means such period of time as any person other than the relevant Securityholder shall continue to be registered as the legal owner of any securities or other obligation comprising the Asset Amount.

‘Settlement Disruption Event’ means an event beyond the control of the Issuer 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 Conditions and/or the applicable Final Terms is not practicable.

## **6. Redemption or Settlement and Purchase**

### *(a) At Maturity or Settlement*

Unless previously redeemed or purchased and cancelled as specified below and subject to Condition 6(g) Condition 7 and Condition 8 in relation to each Security which is not a Credit Linked Security:

- (i) each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date; or, as the case may be,
- (ii) each Certificate will be redeemed by the Issuer at its Final Settlement Amount specified in, or determined in the manner specified in, the applicable Final Terms in the Specified Currency on the Final Settlement Date.

### *(b) Redemption for Tax Reasons*

Unless so specified in the applicable Final Terms, Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Securities other than Floating Rate Notes or Index Linked Interest Notes or Dual Currency Interest Notes) or on any Interest Payment Date (in the case of Floating Rate Notes or Index Linked Interest Notes or Dual Currency Interest Notes), on giving not less than 30 nor more than 60 days’ notice to the Securityholders in accordance with Condition 15 (which notice shall be irrevocable) if, on the occasion of the next payment due under the Securities, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of The Netherlands or any other jurisdiction (the ‘Relevant Tax Jurisdiction’) specified in the applicable Final Terms 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 Securities.

Securities redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in paragraph (f) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

### *(c) Redemption for Illegality*

In the event that the Calculation Agent determines in good faith that the performance of the Issuer’s obligations under the Securities or that any arrangements made to hedge the Issuer’s obligations under the Securities 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 Securityholders in accordance with Condition 15 (which notice shall be irrevocable), shall, on expiry of such notice redeem all, but not some only, of the Securities, each Security being redeemed at the Early Redemption Amount.

### *(d) Redemption at the Option of the Issuer (Issuer Call)*

If Issuer Call is specified in the applicable Final Terms, subject as provided in Condition 7, the Issuer may, having given:

- (i) not less than the minimum number of days specified in the applicable Final Terms nor more than 30 days’ notice to the Securityholders in accordance with Condition 15 and provided that such notice period shall in no event be less than five Business Days; and

- (ii) not less than the minimum number of days specified in the applicable Final Terms before the giving of the notice referred to in (i), notice to the Principal Paying Agent,

(both of which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Securities 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 applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than the Maximum Redemption Amount, both as indicated in the applicable Final Terms. In the case of a partial redemption of Securities, the Securities to be redeemed ('Redeemed Securities') will be selected individually by lot, in the case of Redeemed Securities represented by definitive Securities, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount at their discretion) and/or, as the case may be, DTC, in the case of Redeemed Securities represented by a global Security, 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 Securities represented by definitive Securities, a list of the serial numbers of such Redeemed Securities will be published in accordance with Condition 15 not less than five days prior to the date fixed for redemption. No exchange of the relevant global Security will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph (d) and notice to that effect shall be given by the Issuer to the Securityholders in accordance with Condition 15 at least five days prior to the Selection Date.

*(e) Redemption of Securities at the Option of the Securityholders (Investor Put)*

If Investor Put is specified in the applicable Final Terms subject as provided in Condition 7, upon the holder of any Security giving to the Issuer in accordance with Condition 15 not less than the minimum number of days specified in the applicable Final Terms nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable) and provided that such period of notice shall in no event be less than 15 Business Days, the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Security on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Securities may be redeemed under this Condition 6(e) in any multiple of their lowest Specified Denomination. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable final Terms.

To exercise the right to require redemption of this Security its holder must deliver such Security at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a 'Put Notice') and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Securities, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Securities so surrendered is to be redeemed, an address to which a new Registered Security in respect of the balance of such Registered Securities is to be sent subject to and in accordance with the provisions of Condition 2 accompanied by, if this Security is in definitive form, this Security or evidence satisfactory to the Paying Agent concerned that this Security will, following delivery of the Put Notice, be held to its order or under control.

Any Put Notice given by a holder of any Security pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Security forthwith due and payable pursuant to Condition 11.

*(f) Early Redemption Amounts*

For the purpose of paragraphs (b) and (c) above and Conditions 7, 8 and 11, the Securities will be redeemed at its Early Redemption Amount calculated as follows, unless otherwise specified in the applicable Final Terms:

- (i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of Zero Coupon Notes, at an amount (the ‘Amortised Face Amount’) equal to the sum of:
  - (A) the Reference Price; and
  - (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable; or
- (iii) in the case of Certificates with a Final Settlement Amount equal to the Issue Price at the Final Settlement Amount thereof; or
- (iv) in any other case, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at their nominal amount.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made on the basis of a 360-day year consisting of 12 months of 30 days each or on such other calculation basis as may be specified in the applicable Final Terms.

*(g) Stop Loss Termination*

In relation to any Security for which Stop Loss Termination is specified as applying in the applicable Final Terms such Security will be terminated if at any time on any day from and including the Issue Date to but excluding the Final Settlement Date (in the case of Certificates) or Maturity Date (in the case of Notes), each as specified in the applicable Final Terms, in the determination of the Calculation Agent a Stop Loss Event has occurred, as such event is described in the applicable Final Terms. In such circumstances the Issuer shall give notice to Securityholders in accordance with Condition 15 that a Stop Loss Event has occurred and the effective date of such notice is referred to as the “Stop Loss Event Notice Date”.

The relevant Securities will be terminated in accordance with this Condition 6(g) notwithstanding any exercise by the Issuer of the Issuer Call pursuant to Condition 6(d) and/or any prior delivery of a Put Notice by a Securityholder pursuant to Condition 6(e), Provided That the relevant due date for redemption has not occurred on or prior to the Stop Loss Event Notice Date.

The Final Settlement Date or Maturity Date in respect of each Security to which this Condition 6(g) applies shall occur on the fifth Business Day immediately following the determination by the Calculation Agent of the Stop Loss Settlement Price as provided in the applicable Final Terms. Each Certificate shall be redeemed at the Stop Loss Settlement Amount (if any) in respect of each Security, all as determined by the Calculation Agent as provided in the applicable Final Terms.

*(h) Instalments*

Instalment Notes will be repaid in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (f) above.

*(i) Partly Paid Notes*

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



*(j) Purchases*

The Issuer or any of its subsidiaries may at any time purchase Securities (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Securities may be held, re-issued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

*(k) Cancellation*

All Securities which are redeemed will forthwith be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Securities so cancelled and the Securities purchased and cancelled pursuant to paragraph (j) above (together with all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be re-issued or resold.

*(l) Late Payment on Zero Coupon Notes*

*This paragraph applies only to Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (d) or (e) above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 15.

**7. Limited Recourse**

*(a) Action following a Constraint Event*

If Constraint Event provisions are specified as applying in the applicable Final Terms and the Calculation Agent determines that a Constraint Event has occurred or exists at any time on or prior to the Maturity Date, in the case of Notes, or the Final Settlement Date, in the case of Certificates, or any other day on which any payment or delivery is due in respect of the Securities, the Issuer in its sole and absolute discretion may, subject as provided below, take the action specified in any of (i), (ii) or (iii) below:

- (i) require the Calculation Agent to 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 Final Settlement Amount and/or any other amount falling due and/or any other terms of these Conditions and/ or the applicable Final Terms to account for such Constraint Event, and determine the effective date of that adjustment; or
- (ii) where Constraint Event Early Redemption is specified as applying in the applicable Final Terms, give notice to Securityholders in accordance with Condition 15 and redeem all, but not some only, of the Securities, at the Early Redemption Amount; or
- (iii) where Constraint Event Early Redemption is not specified as applying in the applicable Final Terms, give notice to the Securityholders (in accordance with Condition 15) and designate the Securities as 'Suspended Securities' giving notice of the effective date thereof (the 'Suspension Date'). The Issuer shall have no obligation to make any payment or perform any other obligation in respect of the Securities while the Securities are Suspended Securities and, subject as provided below, any such payment or other performance shall be postponed to no later than the tenth Business Day following the

Cessation Date (as defined below). No additional interest or any other payment or compensation shall be due to Securityholders as a result of any such delay. The Securities shall remain Suspended Securities until the relevant Constraint Event ceases to exist and the Issuer notifies the cessation of such Constraint Event to Securityholders in accordance with Condition 15 (the effective date of such notification the 'Cessation Date') provided that if in the determination of the Calculation Agent the relevant Constraint Event continues to exist on the second anniversary of the Suspension Date (the 'Suspension Cut-Off Date'), the Suspended Securities shall expire worthless and shall be cancelled by the Issuer in which case all obligations of the Issuer to the Securityholders in respect of the Securities shall be discharged and the Securityholders shall have no further recourse to the Issuer in respect of the Securities.

Without prejudice to the foregoing, following any Cessation Date the Issuer may require the Calculation Agent to determine in its sole and absolute discretion, any adjustment to one or more of the Final Redemption Amount and/or Final Settlement Amount and/or any other amount falling due and/or any other terms of these Conditions and/or the applicable Final Terms necessary or appropriate in order to determine any such amounts or other obligations due or to be performed in respect of the Securities, taking into account, without limitation, the occurrence of the relevant Constraint Event and the effect of any delay pursuant to this Condition.

If delivery of any assets is made later than the originally scheduled due date for delivery as a result of the occurrence of a Constraint Event, until delivery is made to the Securityholders, none of the Issuer, the Calculation Agent or any other person shall at any time (i) be under any obligation to deliver or procure delivery to the Securityholders or any subsequent transferee any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in respect of such assets, (ii) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such assets or (iii) be under any liability to the Securityholders or any subsequent transferee in respect of any loss or damage which the Securityholders or subsequent transferees may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner of such assets until the date of delivery.

*(b) Definition of Constraint Event*

Subject as provided below, for the purposes of this Condition, 'Constraint Event' means any of:

- (i) if 'General Inconvertibility' is specified as applying in the applicable Final Terms, the occurrence of any event that generally makes it impossible or not reasonably practicable to convert the Local Currency into the Specified Currency in any Relevant Jurisdiction through customary legal channels;
- (ii) if 'Specific Inconvertibility' is specified as applying in the applicable Final Terms, the occurrence of any event that makes it impossible or not reasonably practicable for any Reference Entity and/or any Hedging Party to convert the Local Currency into the Specified Currency in any Relevant Jurisdiction, other than where such impossibility or impracticability is due solely to the failure by such Reference Entity and/or Hedging 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 and it is impossible or not reasonably practicable for such Reference Entity and/or Hedging Party, due to an event beyond its control, to comply with such law, rule or regulation);
- (iii) if 'General Non-Transferability' is specified as applying in the applicable Final Terms, the occurrence of any event that generally makes it impossible or not reasonably practicable to deliver (a) the Specified Currency from accounts inside any Relevant Jurisdiction to accounts outside such Relevant Jurisdiction or (b) the Local Currency between accounts inside the Relevant Jurisdiction or to a party that is a non-resident of such Relevant Jurisdiction;
- (iv) if 'Specific Non-Transferability' is specified as applying in the applicable Final Terms, the occurrence of any event that makes it impossible or not reasonably practicable for any Reference Entity and/or any Hedging Party to deliver (a) the Local Currency from accounts inside any Relevant Jurisdiction to accounts outside such Relevant Jurisdiction or (b) the Local Currency between accounts inside any Relevant Jurisdiction or to a party that is a non-resident of such Relevant Jurisdiction, other than where

such impossibility or impracticality is due solely to the failure by such Reference Entity and/or Hedging 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 and it is impossible or not reasonably practicable for such Reference Entity and/or Hedging Party, due to an event beyond its control, to comply with such law, rule or regulation);

- (v) if 'Nationalisation' is specified as applying in the applicable Final Terms, any expropriation, confiscation, requisition, nationalisation or other action is taken by a Governmental Authority which deprives any Reference Entity and/or Hedging Party of all or substantially all of its assets in any Relevant Jurisdiction;
- (vi) if 'Hedging Disruption' is specified as applying in the applicable Final Terms, the Issuer determines that any arrangements entered into by any Hedging Party in order to hedge the Issuer's obligations in respect of the Securities in whole or in part cannot reasonably be established, maintained or re-established; or
- (vii) if 'Downgrade' is specified as applying in the applicable Final Terms, the Credit Rating in respect of any Downgrade Obligation is lower than the relevant Specified Rating or any Downgrade Obligation is no longer rated by the relevant Rating Agency. If a Downgrade Obligation no longer exists, the Calculation Agent may, in its sole and absolute determination, identify a substitute Downgrade Obligation that ranks equal in priority of payment with the Downgrade Obligation and is issued or guaranteed (as to both principal and interest or other similar payments if applicable) by the same entity as the issuer of the Downgrade Obligation immediately prior to such substitution. The Calculation Agent may make such adjustments to the Conditions and/or the applicable Final Terms to take account of any such substitution, including an adjustment in relation to the relevant Specified Rating and Rating Agency. If the Securities are Credit Linked Securities and the Downgrade Obligation is a Reference Obligation for the purposes of Condition 8, the Calculation Agent may, without limitation, select the relevant successor Reference Obligation determined pursuant to Condition 8 as the successor Downgrade Obligation. The Issuer shall give notice to Securityholders in accordance with Condition 15 of any such substitution and the effective date thereof.

(c) *Other Relevant Definitions*

For the purposes of this Condition 7:

'Affiliate' is as defined in Condition 8(j).

'Credit Rating' means, in relation to a Downgrade Obligation, the rating assigned to such Downgrade Obligation by the relevant Rating Agency (irrespective of whether such rating is under review with positive or negative implications).

'Downgrade Obligation', in relation to a Downgrade, is as specified in the applicable Final Terms.

'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 or of any Relevant Jurisdiction, as applicable.

'Hedging Party' means the Issuer and/or any Affiliate and/or any other party which conducts hedging arrangements in respect of the Issuer's obligations in respect of the Securities from time to time.

'Local Currency' means, in relation to General Inconvertibility, Specific Inconvertibility, General Non-Transferability or Specific Non-Transferability, the currency specified as such in relation to such event in the applicable Final Terms and any successor currency as determined by the Calculation Agent.

'Rating Agency', in relation to a Downgrade is as specified in the applicable Final Terms.

‘Reference Entity’ means, if the Securities are Credit Linked Securities, each Reference Entity as such term is defined in Condition 8 or, if the Securities are not Credit Linked Securities, as specified in the applicable Final Terms.

‘Relevant Jurisdiction’ means, in relation to General Inconvertibility, Specific Inconvertibility, General Non-Transferability or Specific Non-Transferability or Nationalisation, the jurisdiction or jurisdictions specified as such in the applicable Final Terms in relation to such event and the expression Relevant Jurisdiction includes any territory or political subdivision thereof.

‘Specified Rating’ in relation to a Downgrade, is as specified in the applicable Final Terms.

## **8. Credit Linked Securities**

If the Securities are specified as Credit Linked Securities in the applicable Final Terms then the provisions of this Condition 8 apply as modified by the applicable Final Terms.

### *(a) Redemption of Credit Linked Securities*

Unless previously redeemed or purchased and cancelled and subject to Conditions to Settlement being satisfied during the Notice Delivery Period:

- (i) each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date; or, as the case may be,
- (ii) each Certificate will be redeemed by the Issuer at its Final Settlement Amount specified in, or determined in the manner specified in, the applicable Final Terms in the Specified Currency on the Final Settlement Date.

If Conditions to Settlement are satisfied during the Notice Delivery Period then (i) if Cash Settlement is specified in the applicable Final Terms, the provisions of Condition 8(b) shall apply or (ii) if Physical Delivery is specified in the applicable Final Terms, the provisions of Condition 8(c) shall apply.

### *(b) Cash Settlement*

If Cash Settlement is specified in the applicable Final Terms and Conditions to Settlement are satisfied during the Notice Delivery Period (such date of satisfaction, the ‘Credit Event Determination Date’), subject to Condition 7, the Issuer shall give notice (such notice a ‘Settlement Notice’) to the Securityholders in accordance with Condition 15 and redeem all but not some only of the Securities, each Security being redeemed by the Issuer at the Credit Event Redemption Amount specified in, or determined in the manner specified in the applicable Final Terms on the Credit Event Redemption Date. For the avoidance of doubt a Credit Event Determination Date shall occur upon satisfaction of the Conditions to Settlement during the Notice Delivery Period notwithstanding that the Settlement Notice may be given later, and in some cases significantly later, than the Credit Event Determination Date. Unless otherwise stated in the applicable Final Terms, if more than one Reference Entity is specified in the applicable Final Terms, Conditions to Settlement may only be satisfied on one occasion and consequently a Credit Event Determination Date may only occur and a Settlement Notice may only be delivered on one occasion. If Conditions to Settlement are satisfied in respect of more than one Reference Entity on the same date, the Calculation Agent shall determine in its sole and absolute discretion which Reference Entity is the Reference Entity in respect of which Conditions to Settlement are satisfied.

***If Conditions to Settlement are satisfied and the Securities become redeemable in accordance with this Condition 8(b), subject to Condition 7, upon payment of the Credit Event Redemption Amounts in respect of the Securities the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation whatsoever in respect thereof. The Credit Event Redemption Amount may be less than the nominal amount of a Security. Any shortfall shall be borne by the Securityholders and no liability shall attach to the Issuer.***

(c) *Physical Settlement*

If Physical Delivery is specified in the applicable Final Terms and Conditions to Settlement are satisfied during the Notice Delivery Period (such date of satisfaction, the ‘Credit Event Determination Date’), the Issuer shall give notice (such notice a ‘Notice of Physical Settlement’) to the Securityholders in accordance with Condition 15 and subject to Condition 7, redeem all but not some only of the Securities, each Security being redeemed by the Issuer by Delivery of the Deliverable Obligations comprising the Asset Amount, subject to and in accordance with Condition 5(e) and Conditions 8(g) and (h). For the avoidance of doubt a Credit Event Determination Date shall occur upon satisfaction of the Conditions to Settlement during the Notice Delivery Period notwithstanding that the Notice of Physical Settlement may be given later, and in some cases significantly later, than the Credit Event Determination Date.

If “Restructuring Maturity Limitation and Fully Transferable Obligation” is specified as applying in the applicable 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 applying in the applicable 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.

***If Conditions to Settlement are satisfied and the Securities become redeemable in accordance with this Condition 8(c), upon Delivery of the Deliverable Obligations Deliverable and/or payment of the Cash Settlement Amounts, as the case may be, the Issuer shall have discharged its obligations in respect of the Securities and shall have no other liability or obligation whatsoever in respect thereof. The value of such Deliverable Obligations and/or the Cash Settlement Amount may be less than the Specified Denomination of a Security. Any shortfall shall be borne by the Securityholders and no liability shall attach to the Issuer.***

(d) *Repudiation/Moratorium Extension*

Where Repudiation/Moratorium is specified as a Credit Event in the applicable Final Terms, the provisions of this Condition 8(d) shall apply.

Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Maturity/ Settlement Date but the Repudiation/Moratorium Extension Condition has been satisfied on or prior to the Scheduled Maturity/Settlement Date or, if Condition 8(f)(y) applies, the Postponed Maturity/Settlement Date and the Repudiation/Moratorium Evaluation Date in respect of such Potential Repudiation/Moratorium will, in the sole determination of the Calculation Agent, fall after the Scheduled Maturity/Settlement Date, then the Calculation Agent shall notify the Securityholders in accordance with Condition 15 that a Potential Repudiation/Moratorium has occurred and:

- (i) where a Repudiation/Moratorium has not occurred on or prior to the Repudiation/ Moratorium Evaluation Date:
  - (A) each Security will be redeemed by the Issuer at the Final Redemption Amount, in the case of Notes, or the Final Settlement Amount, in the case of Certificates, in each case 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 (x) to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity/Settlement Date or, if none, the Interest Commencement Date to (but excluding) the Scheduled Maturity/Settlement Date and (y) to pay an Additional Interest Amount in respect of each Note equal to the Calculation Amount and the Additional Amount Period ending on (but excluding) the Repudiation/Moratorium Evaluation Date, but, in each case, shall only be obliged to make such payments 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

- (ii) where a Repudiation/Moratorium has occurred on or prior to the Repudiation/ Moratorium Evaluation Date and Conditions to Settlement are satisfied in the Notice Delivery Period, the provisions of Condition 8(b) or Condition 8(c), as applicable, shall apply to the Securities.

*(e) Grace Period Extension*

If “Grace Period Extension” is specified as applying in the applicable Final Terms, the provisions of this Condition 8(e) shall apply.

Where Conditions to Settlement have not been satisfied on or prior to the Scheduled Maturity/ Settlement Date but a Potential Failure to Pay has 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/Settlement Date (and such Grace Period(s) is/are continuing as at the Scheduled Maturity/ Settlement Date), then:

- (i) where a Failure to Pay has not occurred on or prior to the Grace Period Extension Date:
  - (A) each Security will be redeemed by the Issuer at the Final Redemption Amount, in the case of Notes, or the Final Settlement Amount, in the case of Certificates, in each case on the Grace Period Extension Date; and
  - (B) in the case of interest bearing Notes, the Issuer shall be obliged (x) to pay interest calculated as provided herein, accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity/Settlement Date or, if none, the Interest Commencement Date to (but excluding) the Scheduled Maturity/Settlement Date and (y) to pay an Additional Interest Amount in respect of each Note equal to the Calculation Amounts and the Additional Amount Period ending on (but excluding) the Grace Period Extension Date, but, in each case, 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
- (ii) where a Failure to Pay has occurred on or prior to the Grace Period Extension Date and Conditions to Settlement are satisfied in the Notice Delivery Period, the provisions of Condition 8(b) or Condition 8(c), as applicable, shall apply to the Securities.

*(f) Maturity/Final Settlement Date Extension*

If:

- (x) on (A) the Scheduled Maturity/Settlement Date or, (B), if applicable, the Repudiation/ Moratorium Evaluation Date, or (C) if Grace Period Extension is specified as applying in the applicable Final Terms, the Grace Period Extension Date, as the case may be, Conditions to Settlement have not been satisfied but, in the opinion of the Calculation Agent, a Credit Event may have occurred; or
- (y) on the Scheduled Maturity/Settlement Date, in the opinion of the Calculation Agent a Potential Repudiation/Moratorium may have occurred,

the Calculation Agent shall notify the Securityholders in accordance with Condition 15 that the Scheduled Maturity/Settlement 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/Settlement Date’) specified in such notice falling on the second Business Day immediately following the 14th calendar day after the Scheduled Maturity/Settlement Date, the Repudiation/Moratorium Evaluation Date or the Grace Period Extension Date, as the case may be, and

where:

- (i) in the case of Condition 8(f)(x), Conditions to Settlement are not satisfied on or prior to the Postponed Maturity/Settlement Date or, in the case of Condition 8(f)(y), the Repudiation/ Moratorium Extension Condition is not satisfied on or prior to the Postponed Maturity/Settlement Date:
  - (A) subject as provided below, each Security will be redeemed by the Issuer at the Final Redemption Amount, in the case of Notes, or the Final Settlement Amount, in the case of Certificates, in each case on the Postponed Maturity/Settlement Date; and
  - (B) in the case of interest bearing Notes only the Issuer shall be obliged (x) to pay interest calculated as provided herein accruing from (and including) the Interest Payment Date immediately preceding the Scheduled Maturity/Settlement Date or, if none, the Interest Commencement Date to (but excluding) the Scheduled Maturity/Settlement Date and (y) to pay an Additional Interest Amount in respect of Note and the Additional Amount Period ending on (but excluding) the Postponed Maturity/Settlement Date, but, in each case, shall only be obliged to make such payment of interest on the Postponed Maturity/Settlement Date and no further or other amount in respect of interest shall be payable; or
- (ii) where
  - (A) in the case of Condition 8(f)(x), Conditions to Settlement are satisfied on or prior to the Postponed Maturity/Settlement Date, the provisions of Condition 8(b) or 8(c) as applicable shall apply to the Securities; or
  - (B) in the case of Condition 8(f)(y), the Repudiation/Moratorium Extension Condition is satisfied on or prior to the Postponed Maturity/Settlement Date, the provisions of Condition 8(d) shall apply to the Securities.
- (g) *Physical Delivery*
  - (i) If any Credit Linked Security is to be redeemed by delivery of the Asset Amount(s), such delivery shall be made in accordance with and subject as provided in Condition 5(e);
  - (ii) the Issuer shall give notice to Securityholders prior to the relevant Settlement Date of 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 and may substitute any Deliverable Obligations specified in the relevant notice on or prior to the Settlement Date without giving notice thereof; and
  - (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 Settlement Date Provided That if all or some of the Deliverable Obligations included in the Asset Amount in respect of a Security 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 30th Business Day following the Settlement Date (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 8(h) shall apply.

(h) *Partial Cash Settlement*

If all or a portion of the Undeliverable Obligations or Hedge Disruption Obligations comprising the Asset Amount in respect of a Security are not Delivered by the Final Delivery Date, the Issuer shall give notice (a 'Cash Settlement Notice') to the Securityholders in accordance with Condition 15 and the Issuer shall pay in respect of each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be, the Cash Settlement Amount on the Cash Settlement Date.

In the Cash Settlement Notice, the Issuer must give 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 applicable Final Terms, for the purposes of this Condition 8(h) the following terms shall be defined as follows:

‘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.

‘Cash Settlement Date’ is deemed to be the date falling three Business Days after the calculation of the Final Price.

‘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 same 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 applying in the applicable 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 have 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.

‘Quotation’ means each Full Quotation, the Weighted Average Quotation and, if Indicative Quotations are specified as applying in the applicable 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 applying in the applicable 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 applying in the applicable 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 of, if no Full Quotation is obtained, the weighted average of any firm quotations (or, if applicable, Indicative Quotations) for the Undeliverable Obligation or the 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’ is deemed to be each Undeliverable Obligation or Hedge Disruption Obligation, as the case may be.

‘Valuation Method’ 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 applicable Final Terms, or, if no time is so specified, 11.00 a.m. in the principal trading market for the Undeliverable Obligation or the 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 the 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.

*(i) Redemption following a Merger Event*

Where “Merger Event” is specified as applying in the applicable Final Terms, in the event that in the determination of the Calculation Agent a Merger Event has occurred, the Issuer may give notice to the Securityholders in accordance with Condition 15 and redeem each Security at the Early Redemption Amount on the Merger Event Redemption Date.

*(j) Definitions applicable to Credit Linked Securities*

For the purposes of this Condition 8 only, the following terms shall have the meanings set out below.

‘Accreted Amount’ means, with respect to an Accreting Obligation, an amount equal to (a) the sum of (i) the original issue price of such obligation and (ii) 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 (b) 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 (a)(ii) above), in each case calculated as of the earlier of (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) 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 being applicable in the applicable 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 (a)(ii) 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 (A) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (B) 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 (a) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index, or (b) periodic cash interest is also payable.

‘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 Amount Period’ means, the period from and including (x) the Scheduled Maturity/ Settlement Date to but excluding (y) (i) the Repudiation/Moratorium Evaluation Date (where Condition 8(d)(i)(B) applies), (ii) the Grace Period Extension Date (where Condition 8(e)(i)(B) applies) or (iii) the Postponed Maturity/Settlement Date (where Condition 8(f)(i)(B) applies).

‘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.

‘Asset Amount’ means, in respect of each Security equal to the Calculation Amount Deliverable Obligations, as selected by the Calculation Agent in its sole and absolute discretion, with:

- (i) in the case of Deliverable Obligations that 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 applying in the applicable Final Terms, but excluding accrued but unpaid interest if “Exclude Accrued Interest” is specified as applying in the applicable Final Terms, and if neither “Include Accrued Interest” nor “Exclude Accrued Interest” is specified as applying in the applicable Final Terms, excluding accrued but unpaid interest); or
- (ii) in the case of Deliverable Obligations that are not Borrowed Money, a Due and Payable Amount,

(or, in the case of either (i) or (ii), the equivalent Currency Amount of any such amount), in an aggregate amount as of the relevant Delivery Date equal to or greater than the Calculation Amount less, if Unwind Costs are specified as applying in the applicable 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 less than or equal to the Unwind Costs.

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.

‘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:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) 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;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

- (d) 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 (i) 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 (ii) is not dismissed, discharged, stayed or restrained in each case within (x) 30 calendar days of the institution or presentation thereof or (y) before the Maturity Date, in the case of Notes, or Final Settlement Date, in the case of Certificates, whichever is earlier;
- (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) 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;
- (g) 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 (x) 30 calendar days thereafter or (y) before the Maturity Date, in the case of Notes, or Final Settlement Date, in the case of Certificates, whichever is earlier; or
- (h) 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 (a) to (g) (inclusive).

'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".

'Business Day' means for the purposes of this Condition 8 only, a day on which commercial banks and foreign exchange markets are generally open to settle payments in each Specified Business Centre specified in the applicable Final Terms, and a day on which the TARGET system is open (if "TARGET" is specified for that purpose in the applicable Final Terms).

'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 applicable Final Terms.

‘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 delivery by the Calculation Agent to the Issuer of a Credit Event Notice that is effective and if Notice of Publicly Available Information is specified as applying in the applicable Final Terms, a Notice of Publicly Available Information, that is effective, in each case, during the Notice Delivery Period.

‘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 Event’ means the occurrence of any one or more of the Credit Events specified in the applicable 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 applicable 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:

- (a) 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;
- (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (c) 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
- (d) 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 Notice’ means an irrevocable notice from the Calculation Agent (which may be 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 at or after 12.01 a.m. Greenwich Mean Time on the Trade Date and at or prior to 11.59 p.m., Greenwich Mean Time, on the latest of:

- (a) the Scheduled Maturity/Settlement Date;

- (b) where “Grace Period Extension” is specified as applying in the applicable Final Terms, the Grace Period Extension Date if (i) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Scheduled Maturity/Settlement Date; and (ii) the Potential Failure to Pay with respect to such Failure to Pay occurs at or prior to 11.59 p.m., Greenwich Mean Time, on the Scheduled Maturity/Settlement Date; and
- (c) the Repudiation/Moratorium Evaluation Date if:
  - (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/ Moratorium that occurs after the Scheduled Maturity/Settlement Date;
  - (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs at or prior to 11.59 p.m., Greenwich Mean Time, on the Scheduled Maturity/Settlement Date; and
  - (iii) the Repudiation/Moratorium Extension Condition is satisfied.

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 8(p).

‘Credit Event Redemption Amount’ means the amount specified as such in the applicable Final Terms or if no such amount is specified in the applicable Final Terms, an amount calculated by the Calculation Agent equal to:

$$(A \times B) - C$$

where:

‘A’ is the Calculation Amount;

‘B’ is the Final Price; and

‘C’ is Unwind Costs,

provided that in no event shall the Credit Event Redemption Amount be less than zero.

‘Credit Event Redemption Date’ means the day falling the number of Business Days specified in the applicable Final Terms (or, if a number of Business Days is not so specified, three Business Days) following the calculation of the Final Price.

‘Currency Amount’ means, whenever an amount is denominated in a currency other than the Settlement Currency and is specified to be determined by reference to a Currency Amount, such amount converted to the relevant Settlement Currency using the Currency Rate.

‘Currency Rate’ means:

- (a) the rate determined by the Calculation Agent equal to the rate of conversion of the currency of the Deliverable Obligation into the Settlement Currency by reference to:
  - (i) if the Settlement Currency is U.S. Dollars, the Federal Reserve Bank of New York 10.00 a.m. (New York time) mid point rate as displayed on Reuters page FEDSPOT on the date that the Notice of Physical Settlement is deemed given, or on such date and in such other commercially reasonable manner as it shall determine; or
  - (ii) if the Settlement Currency is euro, the MEAN price as displayed on Reuters Page EUROFX/1 as of 12.00 p.m. (London time) on the date that the Notice of Physical Settlement is deemed given, or on such date and in such other commercially reasonable manner as it shall determine; or

- (b) if the Settlement Currency is not U.S. Dollars or euro, the rate determined by the Calculation Agent in its sole and absolute discretion in a commercially reasonable manner.

‘Default Requirement’ means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if a Default Requirement is not specified in the applicable Final Terms, USD10,000,000, 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(s) to the relevant Securityholder 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 (a) to (d) 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 Securityholder 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 8(c):

- (a) 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 applicable 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 applicable Final Terms) that (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in paragraphs (a) to (d) 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 (iii) 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;
- (b) 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 applicable Final Terms as an Excluded Deliverable Obligation;
- (c) 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 (i) is payable in an amount equal to its Outstanding Principal Balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defense (other than a counterclaim or defense based on the factors set forth in paragraphs (a)-(d) 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 (iii) 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

- (d) any Additional Deliverable Obligation of a Reference Entity specified as such in the applicable 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 applicable Final Terms, and, subject to (B)(3) below, having each of the Deliverable Obligation Characteristics, if any, specified in the applicable Final Terms, in each case, as of the Delivery Date. The following terms shall have the following meanings:

(1) ‘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).

(2) ‘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:

(i) ‘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 (A) to convert or exchange such obligation or (B) 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 clauses (A) and (B) of paragraph (i) above have not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date;

(ii) ‘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 of 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;

- (iii) '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;
- (iv) '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 Securityholder that provides each Securityholder 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 Securityholder and either (A) the Issuer (to the extent that the Issuer is then a lender or a member of the relevant lending syndicate), or (B) 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);
- (v) '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:
  - (a) 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
  - (b) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds;
- (vi) 'Maximum Maturity' means an obligation that has a remaining maturity from the Settlement Date of not greater than the period specified in the applicable Final Terms;
- (vii) '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
- (viii) 'Not Bearer' means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via Euroclear, Clearstream, Luxembourg or any other internationally recognised clearing system.

(B) Interpretation of Provisions.

- (1) If the Obligation Characteristic "Listed" is specified in the applicable 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;

- (2) if (i) either of the Deliverable Obligation Characteristics “Listed” or “Not Bearer” is specified in the applicable 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; (ii) the Deliverable Obligation Characteristic “Transferable” is specified in the applicable 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 (iii) any of the Deliverable Obligation Characteristics “Assignable Loan”, “Consent Required Loan” or “Direct Loan Participation” is specified in the applicable 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;
- (3) 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
- (4) in the event that an Obligation or a Deliverable Obligation is a Qualifying Guarantee, the following will apply:
  - (i) 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.
  - (ii) 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 applicable Final Terms from the following list: Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the applicable Final Terms, (A) 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 (B) the laws of England and the laws of the State of New York shall not be a Domestic Law.
  - (iii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Qualifying Guarantee must satisfy on the relevant date the Obligation Characteristic or the Deliverable Obligation Characteristic of Not Subordinated, if specified in the applicable Final Terms.
  - (iv) 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 applicable 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.

- (v) 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.
- (vi) The terms “Outstanding Principal Balance” and “Due and Payable Amount” (as they are used in these Conditions, including without limitation, the definitions of “Cash Settlement Amount” and “Quotation Amount” in Condition 8(h)), 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.

‘Domestic Currency’ means the currency specified as such in the applicable Final Terms and any successor currency. If no currency is specified in the applicable Final Terms, the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) 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, at the date of the event giving rise to the Credit Event which is the subject of the Credit Event Notice, the Delivery Date or the time of identification of a Substitute Reference Obligation (as applicable), whose outstanding Voting Shares are more than 50 per cent., owned, directly or indirectly, by the Reference Entity. “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.

‘Due and Payable Amount’ means, subject as provided in sub-paragraph (4)(vi) 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).

‘Eligible Transferee’ means each of the following:

- (a)
  - (i) any bank or other financial institution;
  - (ii) an insurance or reinsurance company;
  - (iii) a mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in sub-paragraph (c)(i) below); and
  - (iv) a registered or licensed broker or dealer (other than a natural person or proprietorship),

provided, however, in each case that such entity has total assets of at least U.S.\$500 million;

- (b) an Affiliate of an entity specified in the preceding sub-paragraph (a);

- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
  - (i) 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 (1) has total assets of at least U.S.\$100 million or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least U.S.\$100 million; or
  - (ii) that has total assets of at least U.S.\$500 million; or
  - (iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keep well, support, or other agreement by an entity described in subparagraphs (a), (b), (c)(ii) or (d); and
- (d) a Sovereign, Sovereign Agency or Supranational Organisation;

All references in this definition to U.S.\$ include equivalent amounts in other currencies.

‘Equity Securities’ means:

- (a) 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
- (b) 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.

‘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 applicable Final Terms.

‘Excluded Obligation’ means any obligation of a Reference Entity specified as such or of a type described in the applicable Final Terms.

‘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.

‘Final Price’ means the price of the Reference Obligation(s), expressed as a percentage, determined in accordance with the Valuation Method specified in the applicable Final Terms or, where applicable, Condition 8(k). The Calculation Agent shall as soon as practicable after obtaining all Quotations for a Valuation Date, make available for inspection by Securityholders at the specified office of the Principal Paying Agent (i) each such Quotation that it receives in connection with the calculation of the Final Price and (ii) a written computation showing its calculation of the Final Price.

‘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 Reference 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:

- (a) subject to paragraphs (b) and (c) below, the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the later of the Trade Date and the date as of which such Obligation is issued or incurred;
- (b) if Grace Period Extension is specified as applying in the applicable Final Terms, a Potential Failure to Pay has occurred on or prior to the Scheduled Maturity/Settlement Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Maturity/ Settlement Date, the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the applicable Final Terms or, if no period is specified in the applicable Final Terms, 30 calendar days; and
- (c) if, at the later of the Trade Date and 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 applying in the applicable Final Terms, such deemed Grace Period shall expire no later than the Scheduled Maturity/Settlement 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:

- (a) Grace Period Extension is specified as applying in the applicable Final Terms; and
- (b) a Potential Failure to Pay occurs on or prior to the Scheduled Maturity/Settlement Date,

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 any such Affiliate to hedge the obligations or position of the Issuer in respect of the Securities.

‘Hedge Disruption Obligation’ means a Deliverable Obligation included in the Asset Amount which, on the Settlement Date for such Deliverable Obligation, the Calculation Agent determines cannot be Delivered as a result of a Hedge Disruption Event.

‘Market Value’ means, with respect to a Reference Obligation on a Valuation Date:

- (a) 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);

- (b) 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);
- (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations;
- (d) if fewer than two Full Quotations and a Weighted Average Quotation is obtained, such Weighted Average Quotation;
- (e) 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
- (f) 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 Reference 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.

‘Merger Event’ means that at any time during the period from (and including) the Trade Date to (but excluding) the Maturity Date, in the case of Notes, or Final Settlement Date, in the case of Certificates the Issuer or a Reference Entity (any such entity, the ‘Mergor’) consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, (a) where the Mergor is the Issuer, a Reference Entity or (b) where the Mergor is a Reference Entity, the Issuer, or, the Issuer and a Reference Entity become Affiliates.

‘Minimum Quotation Amount’ means the amount specified as such in the applicable Final Terms (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (a) U.S.\$1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount.

‘Modified Eligible Transferee’ means any bank, financial institution or other entity which is regularly engaged in or 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 date that is the later of (x) the Scheduled Maturity/Settlement Date and (y) 60 months following the Restructuring Date in the case of a Restructured Bond or Loan, or 30 months following the Restructuring Date in the case of all other Deliverable Obligations.

‘Notice Delivery Period’ means the period from and including the Trade Date to and including (a) the Scheduled Maturity/Settlement Date; (b) the Grace Period Extension Date if (i) “Grace Period Extension” is specified as applying in the applicable Final Terms, (ii) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Scheduled Maturity/ Settlement Date, and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Maturity/Settlement Date; (c) the Repudiation/Moratorium Evaluation Date if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/ Moratorium that occurs after the Scheduled Maturity/Settlement Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Maturity/Settlement Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied; or (d) the Postponed Maturity/Settlement Date if the Maturity Date, in the case of Notes, or Final Settlement Date, in the case of Certificates is postponed pursuant to Condition 8(f).

‘Notice of Publicly Available Information’ means an irrevocable notice from the Calculation Agent (which may be 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 clauses (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 applying in the applicable 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 8(p).

‘Obligation’ means:

- (a) 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 applicable Final Terms, as provider of any Qualifying Guarantee) determined pursuant to the method described in “Method for Determining Obligations” below (but excluding any Excluded Obligation);
- (b) each Reference Obligation specified in the applicable Final Terms, unless specified as an Excluded Obligation; and
- (c) any Additional Obligation of a Reference Entity specified as such in the applicable Final Terms.

Method for Determining Obligations. For the purposes of paragraph (a) of this definition of “Obligation”, the term “Obligation” may be defined as each obligation of each Reference Entity described by the Obligation Category specified in the applicable Final Terms, and having each of the Obligation Characteristics (if any) specified in the applicable Final Terms, in each case, as of the date of the event which constitutes the Credit Event which is the subject of the Credit Event Notice. The following terms shall have the following meanings:

- (A) ‘Obligation Category’ means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the applicable Final Terms, where:
  - (1) ‘Payment’ means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;
  - (2) ‘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);
  - (3) ‘Reference Obligations Only’ means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only;
  - (4) ‘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;
  - (5) ‘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
  - (6) ‘Bond or Loan’ means any obligation that is either a Bond or a Loan.
- (B) ‘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 applicable Final Terms, where:
  - (1) (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 applicable Final Terms, any unsubordinated Borrowed Money

obligation of the Reference Entity. 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 shall be determined as of the later of (1) the Trade Date specified in the applicable Final Terms and (2) the date on which such Reference Obligation was issued or incurred and shall not reflect any change to such ranking in priority of payment after such later 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;
- (2) ‘Specified Currency’ means an obligation that is payable in the currency or currencies specified as such in the applicable Final Terms (or, if Specified Currency is specified in the applicable 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 applicable Final Terms as the “Standard Specified Currencies”);
- (3) ‘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”;
- (4) ‘Not Domestic Currency’ means any obligation that is payable in any currency other than the Domestic Currency;
- (5) ‘Not Domestic Law’ means any obligation that is not governed by the laws of (a) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction of organisation of the relevant Reference Entity, if such Reference Entity is not a Sovereign;
- (6) ‘Listed’ means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and
- (7) ‘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.



For the avoidance of doubt the provisions of paragraph (B) of the definition of “Deliverable Obligation” apply to “Obligations” as the context admits.

‘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.

‘Outstanding Principal Balance’ means, subject as provided in sub-paragraph (4)(vi) of paragraph (B) (Interpretation of Provisions) in the definition of Deliverable Obligation:

- (a) with respect to any Accreting Obligation, the Accreted Amount thereof; and
- (b) with respect to any other obligation, the outstanding principal balance of such obligation,

‘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 Day, or in respect of the TARGET Day immediately preceding that day if that day is not a TARGET Day; or
- (ii) where the Specified Currency is USD, 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 USD or EUR, the Overnight Rate specified in the applicable 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 [http:// www.bog.frb.fed.us/releases/h15](http://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.

‘Payment Requirement’ means the amount specified as such in the applicable Final Terms or its equivalent in the relevant Obligation Currency or, if a Payment Requirement is not specified in the applicable Final Terms, U.S.\$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 Period' means the number of Business Days specified as such in the applicable 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.

'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:

- (a) 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:
  - (i) has been published in or 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 or paying agent for an Obligation;
  - (ii) is information received from or published by (A) a Reference Entity or, as the case may be, a Sovereign Agency in respect of a Reference Entity which is a Sovereign or (B) a trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation; or
  - (iii) is information contained in any petition or filing instituting a proceeding described in paragraph (d) of the definition of Bankruptcy against or by a Reference Entity; or
  - (iv) 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.
- (b) In the event that the Calculation Agent is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation and (ii) a holder of the Obligation with respect to which a Credit Event has occurred, 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 a Reference Entity.
- (c) In relation to any information of the type described in paragraphs (a)(ii), (iii) and (iv) above, 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 third parties.
- (d) Publicly Available Information need not state:
  - (i) in relation to the definition of "Downstream Affiliate", the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity; and

- (ii) that such occurrence:
  - (A) has met the Payment Requirement or Default Requirement;
  - (B) is the result of exceeding any applicable Grace Period; or
  - (C) has met the subjective criteria specified in certain Credit Events.

‘Public Source’ means each source of Publicly Available Information specified as such in the applicable Final Terms (or if a source is not specified in the applicable 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’) and that is not at the time of the Credit Event Subordinated to any unsubordinated Borrowed Money obligation of the Underlying Obligor (with references in the definition of Subordination to the Reference Entity deemed to refer to the Underlying Obligor). Qualifying Guarantees shall exclude any arrangement (i) structured 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, assigned or otherwise altered 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 applicable 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:

- (a) 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 Reference 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.
- (b)
  - (i) If “Include Accrued Interest” is specified in the applicable Final Terms in respect of Quotations, such Quotations shall include accrued but unpaid interest;
  - (ii) if “Exclude Accrued Interest” is specified in the applicable Final Terms in respect of Quotations, such Quotations shall not include accrued but unpaid interest; and

- (iii) if neither “Include Accrued Interest” nor “Exclude Accrued Interest” is specified in the applicable Final Terms in respect of Quotations, the Calculation Agent shall determine based on then current market practice in the market of the Reference Obligation, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.
- (c) 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 applicable 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 applicable 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 applicable Final Terms. If no Quotation Dealers are specified in the applicable 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 applicable Final Terms by reference to one of the following terms:

- (a) ‘Bid’ means that only bid quotations shall be requested from Quotation Dealers;
- (b) ‘Offer’ means that only offer quotations shall be requested from Quotation Dealers; or
- (c) ‘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 applicable Final Terms, Bid shall apply.

‘Reference Entity’ means the entity or entities specified as such in the applicable Final Terms. Any Successor to a Reference Entity identified pursuant to the definition of “Successor” in this Condition 8(j) shall be the Reference Entity for the purposes of the relevant Series.

‘Reference Obligation’ means each obligation specified or of a type described as such in the applicable Final Terms (if any are so specified or described) and any Substitute Reference Obligation.

‘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.

‘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:

- (i) an authorised officer of a Reference Entity or a Governmental Authority:
  - (x) 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

- (y) 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/Settlement Date, (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.

‘Repudiation/Moratorium Extension Condition’ means the delivery of a Repudiation/Moratorium Extension Notice and, if specified as applicable in the applicable Final Terms, Notice of Publicly Available Information by the Calculation Agent to the Issuer that is effective during the period from and including the Trade Date to and including the Scheduled Maturity/Settlement Date or, if Condition 8(f)(y) applies, the Postponed Maturity/Settlement Date.

‘Repudiation/Moratorium Extension Notice’ means an irrevocable notice (which may be 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/Settlement Date. 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.

‘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 the Trade Date and 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 (x) the payment or accrual of interest or (y) 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 8(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 applicable 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, with respect to a Restructured Bond or Loan, 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 the date that is the earlier of (x) thirty months following the Restructuring Date and (y) the latest final maturity date of any Restructured Bond or Loan, provided, however, that under no circumstances shall the Restructuring Maturity Limitation Date be earlier than the Scheduled Maturity/Settlement Date or later than thirty months following the Scheduled Maturity/Settlement Date and if it is, it shall be deemed to be the Scheduled Maturity/Settlement Date or thirty months following the Scheduled Maturity/Settlement Date, as the case may be.

‘Settlement Currency’ means the currency specified as such in the applicable Final Terms, or if no currency is specified in the applicable Final Terms, the Specified Currency of the Securities.

‘Settlement Date’ means the last day of the longest Physical Settlement Period following the satisfaction of Conditions to Settlement (the ‘Scheduled Settlement Date’) Provided That if a Hedge Disruption Event has occurred and is continuing on the second Business Day immediately preceding the Scheduled Settlement Date, the 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 Settlement Date.

‘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 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 applicable 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 applicable 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 applicable Final Terms, or if no number is specified in the applicable Final Terms, two.

‘Substitute Reference Obligation’ means one or more obligations of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable 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:

- (a) In the event that:
  - (i) a Reference Obligation in respect of such Reference Entity is redeemed in whole; or
  - (ii) in the opinion of the Calculation Agent (A) 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), (B) 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 (C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation in respect of a Reference Entity is no longer an obligation of such Reference Entity,

the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation in respect of a Reference Entity.

- (b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (1) ranks *pari passu* (or, if no such Obligation exists, then, at the option of the Issuer an Obligation that ranks senior) in priority of payment with such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the later of (A) the Trade Date and (B) the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such later date), (2) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent of the delivery and payment obligations of the Issuer and (3) is an obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable in the applicable 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.
- (c) 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 (a) above has occurred with respect to one or more but not all 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.
- (d) 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 (a) 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.
- (e) If:
  - (i) 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 (a) 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

- (ii) 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 (a) 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 later of (A) the Scheduled Maturity/Settlement Date, (B) the Grace Period Extension Date (if any) and (C) the Repudiation/Moratorium Evaluation Date (if any). If (i) either Cash Settlement is specified in the applicable Final Terms and the Credit Event Redemption Amount is determined by reference to a Reference Obligation or Physical Delivery is specified in the applicable Final Terms and the Reference Obligation is the only Deliverable Obligation and (ii) on or prior to the later of (A) the Scheduled Maturity/ Settlement Date, (B) the Grace Period Extension Date or (C) the Repudiation/Moratorium Evaluation Date, a Substitute Reference Obligation has not been identified, the obligations of the Issuer under the Securities shall cease as of the later of (A) the Scheduled Maturity/ Settlement Date, (B) the Grace Period Extension Date or (C) the Repudiation/Moratorium Evaluation Date.

- (f) 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 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. Notwithstanding the foregoing, "Succession Event" shall not include an event 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.

'Successor' means:

- (a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set forth below:
  - (i) 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;
  - (ii) 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;
  - (iii) if more than one entity each directly or indirectly succeeds 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 Conditions and/or the applicable Final Terms will be adjusted as provided below;
  - (iv) if one or more entities each directly or indirectly succeeds 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 Conditions and/or the applicable Final Terms will be adjusted as provided below;



- (v) 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
  - (vi) 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
- (b) 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 (a) 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 (a)(vi) 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 (a)(vi) 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.

Where pursuant to paragraph (a)(iii) or (a)(iv) above, more than one Successor has been identified, the Calculation Agent shall adjust such of these Conditions and/or the applicable 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 these Conditions and/or the applicable 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 Securities 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 Securityholders in accordance with Condition 15, stating the adjustment to these Conditions and/or the applicable 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 (a) 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:

- (A) a Reference Obligation is specified in the applicable Final Terms; and
- (B) one or more Successors to the Reference Entity have been identified; and
- (C) 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.

‘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.

‘Trade Date’ means the date specified as such in the applicable Final Terms.

‘Undeliverable Obligation’ means a Deliverable Obligation included in the Asset Amount which, on the 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 Settlement Date.

‘Unwind Costs’ means the amount specified in the applicable Final Terms or if “Standard Unwind Costs” are specified in the applicable 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 of its Affiliates in connection with the redemption of the Securities and the related termination, settlement or re-establishment of any hedge or related trading position, such amount to be apportioned *pro rata* amongst each nominal amount of Securities in the Calculation Amount.

‘Valuation Date’ means (a) where Physical Delivery is specified as applying in the applicable Final Terms the day falling three Business Days after the Final Delivery Date, or (b) where Cash Settlement is specified as applying in the applicable Final Terms, if “Single Valuation Date” is specified in the applicable Final Terms, the date that is the number of Business Days specified in the Final Terms after the Credit Event Determination Date or, if the number of Business Days is not so specified, five Business Days after the Credit Event Determination Date, and if “Multiple Valuation Dates” is specified in the applicable Final Terms, each of the following dates:

- (i) the date that is the number of Business Days specified in the applicable Final Terms after the Credit Event Determination Date (or, if the number of Business Days is not specified, five Business Days); and
- (ii) each successive date that is the number of Business Days specified in the applicable 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 applicable Final Terms, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the applicable 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 applicable Final Terms, Single Valuation Date shall apply.

‘Valuation Method’:

- (a) The following Valuation Methods may be specified in the applicable Final Terms for a Series with only one Reference Obligation and only one Valuation Date:
  - (i) ‘Market’ means the Market Value determined by the Calculation Agent with respect to the Valuation Date; or
  - (ii) ‘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 applicable Final Terms, the Valuation Method shall be Highest.

- (b) The following Valuation Methods may be specified in the applicable Final Terms for a Series with only one Reference Obligation and more than one Valuation Date:

- (i) 'Average Market' means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or
- (ii) 'Highest' means the highest Quotation obtained by the Calculation Agent with respect to any Valuation Date; or
- (iii) 'Average Highest' means the unweighted 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 applicable Final Terms, the Valuation Method shall be Average Highest.

- (c) The following Valuation Methods may be specified in the applicable Final Terms for a Series with more than one Reference Obligation and only one Valuation Date:

- (i) 'Blended Market' means the unweighted arithmetic mean of the Market Value for each Reference Obligation determined by the Calculation Agent with respect to the Valuation Date;
- (ii) 'Blended Highest' means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent for each Reference Obligation with respect to the Valuation Date;
- (iii) 'Weighted Blended Market' means the weighted arithmetic mean of the Market Value for each Reference 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 Securities; or
- (iv) 'Weighted Blended Highest' means the weighted arithmetic mean of the highest Quotations obtained by the Calculation Agent for each Reference 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 Securities.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Blended Highest.

- (d) The following Valuation Methods may be specified in the applicable Final Terms for a Series with more than one Reference Obligation and more than one Valuation Date:

- (i) '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 unweighted arithmetic mean of the values so determined with respect to each Valuation Date;
- (ii) '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 unweighted arithmetic mean of the values so determined with respect to each Valuation Date;
- (iii) '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 Securities; or

- (iv) '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 Securities.

If no such Valuation Method is specified in the applicable Final Terms, the Valuation Method shall be Average Blended Highest.

- (e) Notwithstanding paragraphs (a) to (d) 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 Time' means the time specified as such in the applicable Final Terms or, if no time is so specified, 11.00 a.m. in the principal trading market for the Reference Obligation.

'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.

*(k) Credit Event Notice after Restructuring Credit Event*

If Condition 8(k) is specified as applicable in the applicable Final Terms, then, notwithstanding anything to the contrary in these Conditions, upon the occurrence of a Restructuring Credit Event during the Notice Delivery Period:

- (a) the Calculation Agent may deliver a Credit Event Notice in respect of an amount (the 'Partial Redemption Amount') that is less than the principal amount outstanding of each Security immediately prior to the delivery of such Credit Event Notice. In such circumstances the provisions of Condition 8 shall be deemed to apply to the Partial Redemption Amount only and each such Security shall be redeemed in part (such redeemed part being equal to the Partial Redemption Amount).
- (b) For the avoidance of doubt (i) the principal amount of each such Security not so redeemed in part shall remain outstanding and interest shall accrue on the principal amount outstanding of such Security as provided in Condition 4 (adjusted in such manner as the Calculation Agent in its sole and absolute discretion determines to be appropriate), (ii) the provisions of Condition 8 shall apply to such principal amount outstanding of such Security in the event that subsequent Credit Event Notices are delivered in respect of the Reference Entity that was the subject of the Restructuring Credit Event and (iii) once a Credit Event Notice with respect to a Restructuring Credit Event has been delivered in respect of a Reference Entity, no further Credit Event Notices may be delivered in respect of any Reference Entity other than the Reference Entity that was the subject of the Restructuring Credit Event.
- (c) If the provisions of this Condition 8(k) apply in respect of the Securities, on redemption of part of each such Security the relevant Security or, if the Securities are represented by a Global Security, such Global Security, shall be endorsed to reflect such part redemption.

*(l) Provisions relating to Multiple Holder Obligation*

If Condition 8(l) is specified as applicable in the applicable Final Terms, notwithstanding anything to the contrary in the definition of Restructuring and related provisions, 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.

‘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.

(m) *Provisions taken from the ISDA supplement titled “Additional Provisions - Monoline Insurer as Reference Entity (May 2003)”*

If Condition 8(m) is specified as applicable in the applicable Final Terms, the following provisions will apply:

- (a) Obligation and Deliverable Obligation. Paragraph (a) of the definition of “Obligation” in Condition 8(j) and paragraph (a) of the definition of “Deliverable Obligation” in Condition 8(j) are hereby amended by adding “or Qualifying Policy” after “or as provider of a Qualifying Affiliate Guarantee”.
- (b) Interpretation of Provisions. In the event that an Obligation or a Deliverable Obligation is a Qualifying Policy, paragraph (B) of the definition of “Deliverable Obligation” in Condition 8(j) will apply, with references to the Qualifying Guarantee, the Underlying Obligation and the Underlying Obligor deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:
  - (i) the Obligation Category Borrowed Money and the Obligation Category and Deliverable Obligation Category Bond shall be deemed to include distributions payable under an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the Deliverable Obligation Category Bond shall be deemed to include such an Insured Instrument, and the terms “obligation” and “obligor” as used in this Condition 8 in respect of such an Insured Instrument shall be construed accordingly;
  - (ii) references in the definitions of Assignable Loan and Consent Required Loan to “the guarantor” and “guaranteeing” shall be deemed to include “the insurer” and “insuring”, respectively;
  - (iii) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Deliverable Obligation Characteristic of Accelerated or Matured, whether or not that characteristic is otherwise specified as applicable in the applicable Final Terms;
  - (iv) if the Assignable Loan, Consent Required Loan, Direct Loan Participation or Transferable Deliverable Obligation Characteristics are specified in the applicable Final Terms and if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument; and
  - (v) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term “Outstanding Principal Balance” shall mean the outstanding Certificate Balance and “maturity”, as such term is used in the Maximum Maturity Deliverable Obligation Characteristic, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.
- (c) Not Contingent. An Insured Instrument will not be regarded as failing to satisfy the Not Contingent Deliverable Obligation Characteristic solely because such Insured Instrument is subject to provisions limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instrument, provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction. By specifying that this Condition 8(m) is applicable, no inference should be made as to the

interpretation of the “Not Contingent” Deliverable Obligation Characteristic in the context of limited recourse or similar terms applicable to Deliverable Obligations other than Qualifying Policies.

- (d) Deliver. For the purposes of the definition of “Deliver” in Condition 8(j), “Deliver” with respect to an obligation that is a Qualifying Policy means to Deliver both the Insured Instrument and the benefit of the Qualifying Policy (or a custodial receipt issued by an internationally recognised custodian representing an interest in such an Insured Instrument and the related Qualifying Policy), and “Delivery” and “Delivered” will be construed accordingly.
- (e) Provisions for Determining a Successor. The paragraph commencing “For the purposes of this definition of “Successor” ...” in the definition of “Successor” in Condition 8(j) is hereby amended by adding “or insurer” after “or guarantor”.
- (f) Substitute Reference Obligation. The first paragraph of the definition of “Substitute Reference Obligation” and paragraph (b) thereof in Condition 8(j) is hereby amended by adding “or Qualifying Policy” after “or as provider of a Qualifying Affiliate Guarantee”. For purposes of sub-paragraph (a)(ii)(B) the definition of “Substitute Reference Obligation” references to “the Qualifying Guarantee” and the “Underlying Obligation” shall be deemed to include “the Qualifying Policy” and “the Insured Instrument”, respectively.
- (g) Other Provisions. For purposes of paragraph (a)(ii) of the definition of “Deliverable Obligation” and the definitions of “Credit Event” and “Deliver” in Condition 8(j) references to “the Underlying Obligation” and “the Underlying Obligor” shall be deemed to include “Insured Instruments” and the “Insured Obligor”, respectively.
- (h) Additional Definitions.

‘Qualifying Policy’ means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments of an instrument that constitutes Borrowed Money (modified as set forth in this Condition 8(m)) (the ‘Insured Instrument’) for which another party (including a special purpose entity or trust) is the obligor (the ‘Insured Obligor’). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument Payments). The benefit of a Qualifying Policy must be capable of being delivered together with the Delivery of the Insured Instrument.

‘Instrument Payments’ means (A) in the case of any Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified date and (B) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (A) and (B) (1) determined without regard to limited recourse or reduction provisions of the type described in Condition 8(m)(c) above and (2) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

‘Certificate Balance’ means, in the case of an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, the unit principal balance, certificate balance or similar measure of unreimbursed principal investment.

- (n) *Provisions taken from the ISDA supplement titled “Additional Provisions – Monoline Insurer as Reference Entity (May 2005)”*

If Condition 8(n) is specified as applicable in the applicable Final Terms, the following provisions will apply:

- (a) **Obligation and Deliverable Obligation.** Paragraph (a) of the definition of “Obligation” in Condition 8(j) and paragraph (a) of the definition of “Deliverable Obligation” in Condition 8(j) are hereby amended by adding “or Qualifying Policy” after “or as provider of a Qualifying Affiliate Guarantee”.
- (b) **Interpretation of Provisions.** In the event that an Obligation or a Deliverable Obligation is a Qualifying Policy, paragraph (B) of the definition of “Deliverable Obligation” in Condition 8(j) will apply, with references to the Qualifying Guarantee, the Underlying Obligation and the Underlying Obligor deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:
  - (i) the Obligation Category Borrowed Money and the Obligation Category and Deliverable Obligation Category Bond shall be deemed to include distributions payable under an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the Deliverable Obligation Category Bond shall be deemed to include such an Insured Instrument, and the terms “obligation” and “obligor” as used in this Condition 8 in respect of such an Insured Instrument shall be construed accordingly;
  - (ii) references in the definitions of Assignable Loan and Consent Required Loan to “the guarantor” and “guaranteeing” shall be deemed to include “the insurer” and “insuring”, respectively;
  - (iii) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Deliverable Obligation Characteristic of Accelerated or Matured, whether or not that characteristic is otherwise specified as applicable in the applicable Final Terms;
  - (iv) if the Assignable Loan, Consent Required Loan, Direct Loan Participation or Transferable Deliverable Obligation Characteristics are specified in the applicable Final Terms and if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument; and
  - (v) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term “Outstanding Principal Balance” shall mean the outstanding Certificate Balance and “maturity”, as such term is used in the Maximum Maturity Deliverable Obligation Characteristic, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.

For the avoidance of doubt, if Condition 8(o) is specified as applying in the applicable Final Terms the amendments to paragraph (B) of the definition of “Deliverable Obligation” in Condition 8(j) provided in Condition 8(o) shall not be construed to apply to Qualifying Policies and Insured Instruments.

- (c) **Not Contingent.** An Insured Instrument will not be regarded as failing to satisfy the Not Contingent Deliverable Obligation Characteristic solely because such Insured Instrument is subject to provisions limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instrument, provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction. By specifying that this Condition 8(n) is applicable, no inference should be made as to the interpretation of the “Not Contingent” Deliverable Obligation Characteristic in the context of limited recourse or similar terms applicable to Deliverable Obligations other than Qualifying Policies.
- (d) **Deliver.** For the purposes of the definition of “Deliver” in Condition 8(j), “Deliver” with respect to an obligation that is a Qualifying Policy means to Deliver both the Insured Instrument and the benefit of the Qualifying Policy (or a custodial receipt issued by an internationally recognised custodian

representing an interest in such an Insured Instrument and the related Qualifying Policy), and “Delivery” and “Delivered” will be construed accordingly.

- (e) Provisions for Determining a Successor. The paragraph commencing “For the purposes of this definition of “Successor” ...” in the definition of “Successor” in Condition 8(j) is hereby amended by adding “or insurer” after “or guarantor”.
- (f) Substitute Reference Obligation. The first paragraph of the definition of “Substitute Reference Obligation” and paragraph (b) thereof in Condition 8(j) are hereby amended by adding “or Qualifying Policy” after “or as provider of a Qualifying Affiliate Guarantee”. For purposes of sub-paragraph (a)(ii)(B) the definition of “Substitute Reference Obligation” references to “the Qualifying Guarantee” and the “Underlying Obligation” shall be deemed to include “the Qualifying Policy” and “the Insured Instrument”, respectively.
- (g) Restructuring.
  - (i) With respect to an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest or a Qualifying Policy with respect thereto, paragraphs (i) to (v) inclusive of the definition of “Restructuring” in Condition 8(j) are hereby amended to read as follows:
    - (i) a reduction in the rate or amount or the Instrument Payments in clause (A)(x) of the definition thereof that are guaranteed or insured by the Qualifying Policy;
    - (ii) a reduction in the amount of the Instrument Payments described in clause (A)(y) of the definition thereof that are guaranteed or insured by the Qualifying Policy;
    - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of the Instrument Payments described in clause (A)(x) of the definition thereof or (B) the payment of the Instrument Payments described in clause (A)(y) of the definition thereof, in each case that are guaranteed or insured by the Qualifying Policy;
    - (iv) a change in the ranking in priority of payment of (A) any Obligation under a Qualifying Policy in respect of Instrument Payments, causing the Subordination of such Obligation to any other Obligation or (B) any Instrument Payments, causing the Subordination of such Insured Instrument to any other instrument in the form of a pass-through certificate or similar funded beneficial interest issued by the Insured Obligor, it being understood that, for this purpose, Subordination will be deemed to include any such change that results in a lower ranking under a priority of payments provision applicable to the relevant Instrument Payments; or
    - (v) any change in the currency or composition of any payment of Instrument Payments that are guaranteed or insured by the Qualifying Policy to any currency which is not a Permitted Currency.
  - (ii) Paragraph (c) of the definition of “Restructuring” in Condition 8(j) is hereby amended by adding “or, in the case of a Qualifying Policy and an Insured Instrument, where (A) the Qualifying Policy continues to guarantee or insure, as applicable, that the same Instrument Payments will be made on the same dates on which the Qualifying Policy guaranteed or insured that such Instrument Payments would be made prior to such event and (B) such event is not a change in the ranking in the priority of payment of the Qualifying Policy” after “Reference Entity”.
  - (iii) The definition of “Restructuring” in Condition 8(j) is hereby amended by the insertion of the following paragraph after the final paragraph thereof:

“For purposes of the definition of “Restructuring” in Condition 8(j) and if Condition 8(l) is specified as applying in the applicable Final Terms for the purposes Condition 8 the term



Obligation shall be deemed to include Insured Instruments for which the Reference Entity is acting as provider of a Qualifying Policy. In the case of a Qualifying Policy and an Insured Instrument, references to the Reference Entity in the definition of “Restructuring” shall be deemed to refer to the Insured Obligor and the reference to the Reference Entity in paragraphs (a) to (c) inclusive in the definition of “Restructuring” shall continue to refer to the Reference Entity.”

- (h) Fully Transferable Obligation and Conditionally Transferable Obligation. In the event that a Fully Transferable Obligation and/or Conditionally Transferable Obligation is specified as applying in the applicable Final Terms and a Fully Transferable Obligation or Conditionally Transferable Obligation is a Qualifying Policy, the Insured Instrument must meet the requirements of the relevant definition and, if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument. References in the definition of Conditionally Transferable Obligation to the guarantor and guaranteeing shall be deemed to include the insurer and insuring, respectively. With respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term “final maturity date”, as such term is used in Condition 8(c) and the definition of “Restructuring Maturity Limitation Date”, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certificate Balance will occur.
- (i) Other Provisions. For purposes of paragraph (a)(ii) of the definition of “Deliverable Obligation” and the definitions of “Credit Event” and “Deliver” in Condition 8(j), references to the “Underlying Obligation” and the “Underlying Obligor” shall be deemed to include “Insured Instruments” and the “Insured Obligor”, respectively.
- (j) Additional Definitions.

‘Qualifying Policy’ means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments of an instrument that constitutes Borrowed Money (modified as set forth in this Condition 8(n)) (the ‘Insured Instrument’) for which another party (including a special purpose entity or trust) is the obligor (the ‘Insured Obligor’). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument Payments). The benefit of a Qualifying Policy must be capable of being delivered together with the Delivery of the Insured Instrument.

‘Instrument Payments’ means (A) in the case of any Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified date and (B) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (A) and (B) (1) determined without regard to limited recourse or reduction provisions of the type described in Condition 8(n)(c) above and (2) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

‘Certificate Balance’ means, in the case of an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, the unit principal balance, certificate balance or similar measure of unreimbursed principal investment.

- (o) *Supplement to provisions relating to Qualifying Guarantee and Underlying Obligation*
- (a) If this Condition 8(o) is specified as applicable in the applicable Final Terms, Condition 8(j) shall be amended by:

- (i) the deletion of the definition of “Downstream Affiliate” and the substitution of the following therefor:

‘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;

- (ii) the deletion of paragraphs (B)(4)(ii) and (B)(4)(iii) of the definition of “Deliverable Obligation”, the substitution of the following therefor and the re-numbering of the remaining paragraphs accordingly:

“(ii) 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 Deliverable Obligation Characteristics, if any, specified in the applicable 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 applicable Final Terms, (A) 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 (B) the laws of England and the laws of the State of New York shall not be a Domestic Law.”; and

- (iii) the deletion of the definition of “Qualifying Guarantee” and the substitution of the following therefor:

‘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 (i) structured 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’.; and

- (b) Condition 8(l) shall be amended by the insertion of the following at the end of the first paragraph thereof:

“provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in (ii) of the definition of “Multiple Holder Obligation” below”.

*(p) Calculation Agent and Calculation Agent Notices*

Whenever the Calculation Agent is required to act or exercise judgment, it will do so in good faith and in a commercially reasonable manner. The Calculation Agent shall, as soon as practicable after making any determination pursuant to this Condition 8, notify the Issuer and the Securityholders of such determination. The Calculation Agent is not acting as a fiduciary for or as an advisor to the Securityholders in respect of its duties as Calculation Agent in connection with any Securities.

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 8 shall (in the absence of manifest error) be final and binding on the Issuer and the Securityholders. 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 Securities, the Calculation Agent shall act in its sole and absolute discretion. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Securities 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 none of the Calculation Agent and 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.

In relation to the delivery by the Calculation Agent to the Issuer of any notice pursuant to this Condition 8, a notice delivered on or prior to 4:00 p.m. (Calculation Agent City time) on a Calculation Agent City Business Day will be effective on such Calculation Agent City Business Day. A notice delivered after 4:00 p.m. (Calculation Agent City time) on a Calculation Agent City Business Day or on a day which is not a Calculation Agent City Business Day will be deemed effective on the next following Calculation Agent City Business Day, regardless of the form in which it is delivered. For purposes of the two preceding sentences, a notice given by telephone will be deemed to have been delivered at the time the telephone conversation takes place. If the notice is delivered by telephone, a written confirmation will be executed and delivered confirming the substance of that notice within one Calculation Agent City Business Day of that notice. Failure to provide that written confirmation will not affect the effectiveness of that telephonic notice.

*(q) Adherence to ISDA Protocols in Relation to Alternative Settlement or Valuation Method*

In the event that a protocol setting out an alternative settlement or valuation method is published by ISDA (a 'Protocol') in relation to a Reference Entity, the Calculation Agent may in its sole discretion determine whether to follow some or all of the terms of such Protocol for purposes of this Condition 8.

Notwithstanding any other provisions in this Condition 8, in the event that the Calculation Agent decides to adhere to a Protocol, the Calculation Agent may adjust such terms of this Condition 8 as it deems appropriate to reflect some or all of the relevant settlement, valuation and other provisions of the Protocol. These may include, without limitation, adjustments in relation to the determination of any Credit Event Redemption Amount, any Final Price or any Asset Amount or determining Cash Settlement rather than Physical Settlement shall apply or vice versa. Nothing in this Condition 8(q) should be taken as requiring the Calculation Agent to follow the terms of any Protocol.

## **9. Taxation**

All payments of principal and interest in respect of the Securities, Receipts and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any relevant Tax Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer will depending on which of the following provisions is specified as applying in the applicable Final Terms, either:

- (a) make the required withholding or deduction of such taxes, duties, assessments or governmental charges for the account of the holders of the Securities, Receipts or Coupons, as the case may be, and shall not pay any additional amounts to the holders of the Securities, Receipts or Coupons; or
- (b) pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Securities, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Securities, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Security, Receipt or Coupon:
  - (i) presented for payment by or on behalf of a Securityholder, Receiptholder or Couponholder who is liable for such taxes or duties in respect of such Security, Receipt or Coupon by reason of his having some connection with any relevant Tax Jurisdiction other than the mere holding of such Security, Receipt or Coupon or the receipt of principal or interest in respect thereof; or

- (ii) presented for payment by or on behalf of a Securityholder, Receiptholder or Couponholder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority; or
- (iii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day; or
- (iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Union Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (v) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Security, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

As used herein:

‘Tax Jurisdiction’ means The Netherlands and any relevant country specified as such in the applicable Final Terms and, in each case, any political subdivision or any authority thereof or therein having power to tax; and

the ‘Relevant Date’ means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Securityholders in accordance with Condition 15.

## **10. Prescription**

The Securities (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued in exchange for a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

## **11. Events of Default**

If any one or more of the following events (each an ‘Event of Default’) shall occur and be continuing:

- (i) default is made for more than 30 days in the payment of interest or principal in respect of the Securities; or
- (ii) the Issuer fails to perform or observe any of its other obligations under the Securities and such failure has continued for the period of 60 days next following the service on the Issuer of notice requiring the same to be remedied; or
- (iii) the Issuer is declared bankrupt, or a declaration in respect of the Issuer is made under Chapter 3.5 of the Financial Supervision Act (*Wet op het financieel toezicht*) of The Netherlands; or
- (iv) an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer unless this is done in connection with a merger, consolidation or other form of combination with another company and such company assumes all obligations contracted by the Issuer in connection with the Securities,

then any Securityholder may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare the Security held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 6(f)), together with accrued interest (if any) to the date of

repayment, without presentment, demand, protest or other notice of any kind. The applicable Final Terms may specify further Events of Default in respect of the Securities.

## **12. Replacement of Securities, Receipts, Coupons and Talons**

Should any Security, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Securities, Receipts, Coupons and Talons) or of the Registrar (in the case of Registered Securities), upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Securities, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **13. Agents**

The names of the initial Principal Paying Agent, the other initial Paying Agents, the initial Exchange Agent, the initial Registrar and the initial Transfer Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent, Exchange Agent, Registrar or Transfer Agent and/or appoint additional or other Paying Agents, Exchange Agents, Registrars or Transfer Agents and/or approve any change in the specified office through which any of the same acts, provided that:

- (i) so long as the Securities are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent and, if the Securities are in registered form, a Registrar and Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority);
- (ii) there will at all times be a Paying Agent with a specified office in a city in continental Europe;
- (iii) if the Securities are in registered form, there will at all times be a Registrar and a Transfer Agent having a specified office outside the United Kingdom and in London respectively;
- (iv) so long as any of the Registered Global Securities payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, Cede & Co., there will at all times be an Exchange Agent with a specified office in London;
- (v) there will at all times be a Principal Paying Agent;
- (vi) there will at all times be a Paying Agent and a Transfer Agent with a specified office situated outside The Netherlands; and
- (vii) there will at all times be a Paying Agent in a Member State of the European Union that will not be 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.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 5(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Securityholders in accordance with Condition 15.

## **14. Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10. Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

## **15. Notices**

Notices to holders of Registered Securities will be deemed to be validly given (i) if sent by first class mail or (if posted to an overseas address) by airmail to them at their respective addresses as recorded in the Registrar and (ii) for so long as Registered Securities are listed on Euronext Amsterdam, if published in the Daily Official List of Euronext Amsterdam .N.V. (*'Officiële Prijscourant'*) and any such notice shall be deemed given on (i) the fourth day after the date of such mailing, or, if later (ii) on the date of publication in the *Officiële Prijscourant*.

All notices regarding the Bearer Securities shall be published (i) in at least one daily newspaper of wide circulation in The Netherlands, (ii) if so specified in the applicable Final Terms in a leading English language daily newspaper of general circulation in London, and (iii) if and for so long as the Securities are listed on Euronext Amsterdam, in the *Officiële Prijscourant*. It is expected that such publication will be made in *Het Financieele Dagblad* in The Netherlands (in the case of (i) above) and in the *Financial Times* in London (in the case of (ii) above). Any such notice will be deemed to have been given on the date of the first publication in all the newspapers and, if applicable, the *Officiële Prijscourant* in which such publication is required to be made.

Until such time as any definitive Securities are issued, there may (provided that, in the case of any publication required by a stock exchange, the rules of the stock exchange or other relevant authority so permit), so long as the global Security(ies) is or are held in its or their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC be substituted for publication in some or all of the newspapers referred to above, the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Securities. Any such notice shall be deemed to have been given to the holders of the Securities on the day immediately following the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

Notices to be given by any holder of the Securities shall be in writing and given by lodging the same, together with the relative Security or Securities, with the Principal Paying Agent. Whilst any of the Securities are represented by a global Security, such notice may be given by any holder of a Security to the Principal Paying Agent via Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

## **16. Meetings of Securityholders, Modification and Waiver, Substitution**

### **(a) Meetings of Securityholders**

The Agency Agreement contains provisions for convening meetings of the Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Securities, the Receipts, the Coupons or certain provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Securityholders holding not less than five per cent. in nominal amount of the Securities for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Securities for the time being outstanding, or at any adjourned meeting one or more persons being or representing Securityholders whatever the nominal amount of the Securities so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Securities, Receipts or Coupons (including modifying the date of maturity of the Securities or any date for payment of interest thereof, reducing or cancelling the amount of principal or any asset amount or the rate of interest payable in respect of the Securities, altering the currency of payment of the Securities, Receipts or Coupons), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in nominal amount of the Securities for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Securityholders shall be binding on all the Securityholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

**(b) Modification and Waiver**

The Principal Paying Agent and the Issuer may agree, without the consent of the Securityholders, Receiptholders or Couponholders, to:

- (i) any modification (except as mentioned above) of any of the provisions of the Agency Agreement, the Securities, the Receipts, the Coupons or the Conditions which is not materially prejudicial to the interests of the Securityholders; or
- (ii) any modification of the Securities, the Receipts, the Coupons, the Deed of Covenant or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Securityholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Securityholders in accordance with Condition 15 as soon as practicable thereafter.

**(c) Substitution of the Issuer**

- (i) ABN AMRO Bank N.V. as the Issuer may, at its option and without the consent of the Securityholders, Receiptholders or Couponholders be replaced and substituted by The Royal Bank of Scotland plc (the 'Substitute Issuer') as principal obligor in respect of a Series of Securities and (if any) the related Receipts and/or Coupons (a 'Substitution') by giving notice to the relevant Securityholders in accordance with Condition 15 at least ten Business Days prior to such Substitution provided that:

- (A) a deed poll and such other documents (if any) shall be executed by the Substitute Issuer and the Issuer 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 Issuer shall undertake in favour of each relevant Securityholder, Receiptholder and Couponholder to be bound by the Terms and Conditions of the Securities and the provisions of the Agency Agreement and the Deed of Covenant, subject as provided below, as fully as if the Substitute Issuer had been named in the Terms and Conditions of the Securities, the Agency Agreement and the Deed of Covenant as the principal obligor in respect of the Securities, and any related Receipts and Coupons in place of the Issuer;
- (B) without prejudice to the generality of (A) above, where Condition 9(b) applies to the relevant Series of Securities, Receipts and/or Coupons, the Documents shall contain a covenant by the Substitute Issuer and/or such other provisions as may be necessary to ensure that each Securityholder, Receiptholder and/or Couponholder has the benefit of a covenant in terms corresponding to the provisions of Condition 9 with the substitution for the references to the Netherlands of references to the tax jurisdiction of the Substitute Issuer;
- (C) the Documents shall include any amendments to the Terms and Conditions of the Securities, the provisions of the Agency Agreement or the Deed of Covenant which, in the reasonable opinion of the Substitute Issuer, are necessary or desirable to give effect to and reflect the Substitution and the Substitute Issuer. Without limitation to the foregoing, such amendments may be to Condition 3 (*Status of the Securities*) and Condition 11 (*Events of Default*) of the Securities;
- (D) the Documents shall contain a warranty and representation by the Substitute Issuer (x) that the Substitute Issuer has obtained all necessary governmental and regulatory approvals and consents for the Substitution and for the performance by the Substitute Issuer of its obligations under the Documents and that all such approvals and consents are in full force and effect and (y) that the obligations assumed by the Substitute Issuer under the Documents are all legal, valid and binding in accordance with their respective terms subject to such relevant provisions of law as may be applicable;

- (E) each stock exchange which has the Securities listed thereon shall have confirmed that following the proposed substitution of the Substitute Issuer the Securities will continue to be listed on such stock exchange (subject to relevant rules of the relevant stock exchange) and the Substitute Issuer shall prepare any such supplement or prospectus to reflect the Substitution as may be required by any competent authority or under the Prospectus Directive or any applicable law or regulations; and
  - (F) there is no outstanding Event of Default in respect of the Securities.
- (ii) Upon the execution of the Documents as referred to in (i) above, the Substitute Issuer shall be deemed to be named in the Securities, Receipts and/or Coupons as the principal obligor in place of the Issuer and the Securities, Receipts and/or Coupons shall thereupon be deemed to be amended to give effect to the Substitution. The execution of the Documents shall operate to release ABN AMRO Bank N.V. as Issuer from all of its obligations as principal obligor in respect of the Securities, Receipts and/or Coupons.
  - (iii) The Documents shall be deposited with and held by the Principal Paying Agent for so long as any Securities, Receipts and/or Coupons remain outstanding and for so long as any claim made against the Substitute Issuer by any Securityholder, Receiptholder and/or Couponholder in relation to the Securities, Receipts and/or Coupons, or the Documents shall not have been finally adjudicated, settled or discharged. The Substitute Issuer shall acknowledge in the Documents the right of every Securityholder, Receiptholder and/or Couponholder to the production of the Documents for the enforcement of any of the Securities, Receipts and/or Coupons or the Documents (subject to such proof of Securityholder, Receiptholder and/or Couponholder status as the Principal Paying Agent may require).

#### **17. Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Securityholders, Receiptholders or Couponholders to create and issue further notes or certificates having terms and conditions the same as the Securities or the same in all respects save for their respective Issue Dates, Interest Commencement Dates (if applicable) and Issue Prices and so that the same shall be consolidated and form a single Series with the outstanding Securities.

#### **18. Provision of Information**

The Issuer hereby covenants for the benefit of the Securityholders that for so long as any Securities remain outstanding and are 'restricted securities' (as defined in Rule 144(a)(3) under the Securities Act), the Issuer shall, 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) under the Exchange Act, make available to any holder of, or beneficial owner of an interest in, such Securities in connection with any resale thereof and to any prospective purchaser designated by such Securityholder or beneficial owner, in each case upon request, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the Securities Act.

#### **19. The Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of this Security under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

#### **20. Governing Law and Submission to jurisdiction**

The Agency Agreement, the Securities, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.

In relation to any legal action or proceedings arising out of or in connection with the Securities, the Receipts and the Coupons ('Proceedings'), the Issuer hereby irrevocably submits for the benefit of the Securityholders, the



Receiptholders and the Couponholders to the jurisdiction of the courts of England. The Issuer appoints ABN AMRO Bank N.V., London Branch at its registered office in London (presently 250 Bishopsgate, London EC2M 4AA) as its agent in England to receive service of process in any Proceedings in England based on any of the Securities, the Receipts or the Coupons. If for any reason such process agent ceases to act as such or no longer has an address in England, the Issuer agrees to appoint a substitute process agent and to notify the Securityholders of such appointment.

**21. Effect of Final Terms**

The Final Terms applicable to any Series of Securities may specify amendments to these Terms and Conditions in so far as they apply to that Series.

## **USE OF PROCEEDS**

The net proceeds from each issue of Securities will be applied by the Issuer for its general corporate purposes. If in relation to any particular issue of Securities there is a particular identified use of proceeds, this will be identified in the applicable Final Terms.

## BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the 'Clearing Systems') currently in effect. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. Neither the Issuer nor any agent party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Securities held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

### Book-entry Systems

#### DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a 'banking organisation' within the meaning of the New York Banking Law, a 'clearing corporation' within the meaning of the New York Uniform Commercial Code and a 'clearing agency' registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ('Participants') deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ('Indirect Participants').

Under the rules, regulations and procedures creating and affecting DTC and its operations (the 'Rules'), DTC makes book-entry transfers of Registered Securities among Direct Participants on whose behalf it acts with respect to Securities accepted into DTC's book-entry settlement system ('DTC Securities') as described below and receives and transmits distributions of principal and interest on DTC Securities. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Securities ('Owners') have accounts with respect to the DTC Securities similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Securities through Direct Participants or Indirect Participants will not possess Registered Securities, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest with respect to the DTC Securities.

Purchases of DTC Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Securities on DTC's records. The ownership interest of each actual purchaser of each DTC Securities ('Beneficial Owner') is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Securities, except in the event that use of the book-entry system for the DTC Securities is discontinued.

To facilitate subsequent transfers, all DTC Securities deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Securities; DTC's records reflect only the identity of the Direct

Participants to whose accounts such DTC Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Securities. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments, if applicable, on the DTC Securities will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in 'street name', and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, if applicable, to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Securities, DTC will exchange the DTC Securities for definitive Registered Securities, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Restricted Global Security, will be legended as set forth under 'Notice to Purchasers and Holders of Restricted Securities and Transfer Restrictions' below.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Securities to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Securities, will be required to withdraw its Registered Securities from DTC as described below.

#### *Euroclear and Clearstream, Luxembourg*

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

### **Book-entry Ownership of and Payments in respect of DTC Securities**

The Issuer will apply to DTC in order to have each Tranche of Securities represented by Registered Global Securities accepted in its book-entry settlement system. Upon the issue of any Registered Global Securities, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Securities to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in a Registered Global Security will be limited to Direct Participants or Indirect Participants, including the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Security will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note or a Registered Global Certificate registered in the name of DTC's nominee will be made to the order of such nominee as the registered holder of such Security. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC's nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Securities in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Securities will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payments of principal, premium, if any, and interest, if any, on Securities to DTC is the responsibility of the Issuer.

### **Transfers of Securities Represented by Registered Global Securities**

Transfers of any interests in Securities represented by a Registered Global Security within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Securities represented by a Registered Global Security to such persons may depend upon the ability to exchange such Securities for Securities in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Securities represented by a Registered Global Security to pledge such Securities to persons or entities that do not participate in the DTC system or to otherwise take action in respect of such Securities may depend upon the ability to exchange such Securities for Securities in definitive form. The ability of any holder of Securities represented by a Registered Global Security to resell, pledge or otherwise transfer such Securities may be impaired if the proposed transferee of such Securities is not eligible to hold such Securities through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Security described under 'Notice to Purchasers and Holders of Restricted Securities and Transfer Restrictions', cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg 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 Registrar, the Fiscal Agent and any custodian ('Custodian') with whom the relevant Registered Global Securities have been deposited.

On or after the Issue Date for any Series, transfers of Securities of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Securities 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, Luxembourg 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, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Securities will be effected through the Registrar, the Fiscal Agent and the Custodian 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. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg 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.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Securities among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Securities represented by Registered Global Securities or for maintaining, supervising or reviewing any records relating to such beneficial interests.

## **SUMMARY OF PROVISIONS RELATING TO DEFINITIVE REGISTERED SECURITIES**

Registered Securities of a Series that are initially offered and sold in the United States pursuant to Section 4(2) of the Securities Act in private placement transactions exempt from registration under the Securities Act to Institutional Accredited Investors who execute and deliver to the Registrar an IAI Investment Letter substantially in the form attached to the Agency Agreement will be issued only as Definitive Registered Securities, registered in the name of the purchaser thereof or its nominee. Unless otherwise set forth in the applicable Final Terms, such Definitive Registered Notes or Definitive Registered Certificates will be issued only in Specified Denominations of U.S.\$500,000 (or the approximate equivalent in the applicable Specified Currency). Such Definitive Registered Securities issued to Institutional Accredited Investors will be subject to the restrictions on transfer set forth therein and in the Agency Agreement and will bear the applicable legend regarding such restrictions set forth under ‘Notice to Purchasers and Holders of Restricted Securities and Transfer Restrictions’ below.

Institutional Accredited Investors that hold Definitive Registered Securities may not elect to hold such Securities through DTC, but transferees acquiring such Securities in transactions exempt from registration under the Securities Act pursuant to Rule 144A, Regulation S or Rule 144 under the Securities Act (if available) may take delivery thereof in the form of an interest in a Restricted Global Security or a Regulation S Global Security, as the case may be, representing Securities of the same Series.

## NOTICE TO PURCHASERS AND HOLDERS OF RESTRICTED SECURITIES AND TRANSFER RESTRICTIONS

*As a result of the following restrictions, purchasers of Securities in the United States are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such Securities.*

Each prospective purchaser of Legended Securities, by accepting delivery of this Base Prospectus, will be deemed to have represented and agreed as follows:

- (1) Such offeree acknowledges that this Base Prospectus is personal to such offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Securities. Distribution of this Base Prospectus, or disclosure of any of its contents to any person other than such offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised, and any such distribution or disclosure, without the prior written consent of the Issuer, is prohibited.
- (2) Such offeree agrees to make no photocopies of this Base Prospectus or any documents referred to herein.

Each purchaser of an interest in a Restricted Security offered and sold to a QIB in reliance on Rule 144A or in a transaction otherwise exempt from registration under the Securities Act will be deemed to have represented and agreed as follows (terms used in this paragraph that are not defined herein will have the meaning given to them in Rule 144A or in Regulation S as the case may be):

- (a) The purchaser (i) is a QIB, (ii) is aware and each beneficial owner has been advised that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring Securities, for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion.
- (b) The purchaser understands that such Restricted Security is being offered only in a transaction not involving any public offering in the United States within the meaning of the Securities Act, such Restricted Security has not been and will not be registered under the Securities Act or any other applicable securities law and may not be offered, sold or otherwise transferred unless registered pursuant to or exempt from registration under the Securities Act or any other applicable securities law; and that (i) if in the future the purchaser decides to offer, resell, pledge or otherwise transfer such Restricted Security, such Restricted Security may be offered, sold, pledged or otherwise transferred only (A) to a person who the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A, (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) and in each of such cases in accordance with any applicable securities laws of any State of the United States or any other jurisdiction and that (ii) the purchaser will, and each subsequent holder of the Restricted Securities is required to, notify any purchaser of such Restricted Security from it of the resale restrictions referred to in (i) above and that (iii) no representation can be made as to the availability of the exemption provided by Rule 144 under the Securities Act for resale of Securities.
- (c) Each Restricted Global Security and each Definitive Registered Security exchanged for each Restricted Global Security will bear a legend to the following effect, in addition to such other legends as may be necessary or appropriate, unless the Issuer determines otherwise in compliance with applicable law:

THIS SECURITY (OR ITS PREDECESSOR) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE 'SECURITIES ACT'), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM AND UNLESS IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER



JURISDICTION. EACH PURCHASER OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF REPRESENTS AND AGREES FOR THE BENEFIT OF THE ISSUER AND THE DEALERS THAT (A) THIS SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (1) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF SUCH RULE 144A, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH 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) AND IN EACH OF SUCH CASES IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION, AND THAT (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS SECURITY FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN (A) ABOVE. NO REPRESENTATION CAN BE MADE AS TO AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS SECURITY.

Each Definitive Registered Security that is offered and sold in the United States to an Institutional Accredited Investor pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act will bear a legend to the following effect, in addition to such other legends as may be necessary or appropriate, unless the Issuer determines otherwise in compliance with applicable law:

THIS SECURITY (OR ITS PREDECESSOR) HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER, AND WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE 'SECURITIES ACT'), AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM AND UNLESS IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER JURISDICTION. EACH PURCHASER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, WHETHER UPON ORIGINAL ISSUANCE OR SUBSEQUENT TRANSFER, ACKNOWLEDGES FOR THE BENEFIT OF THE ISSUER AND THE DEALERS THE RESTRICTIONS ON THE TRANSFER OF THIS SECURITY SET FORTH BELOW. THE PURCHASER REPRESENTS THAT IT IS ACQUIRING THIS SECURITY FOR INVESTMENT ONLY AND NOT WITH A VIEW TO ANY SALE OR DISTRIBUTION HEREOF, SUBJECT TO ITS ABILITY TO RESELL THIS SECURITY PURSUANT TO RULE 144A OR REGULATION S OR AS OTHERWISE PROVIDED BELOW AND SUBJECT IN ANY CASE TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF THE PROPERTY OF ANY PURCHASER SHALL AT ALL TIMES BE AND REMAIN WITHIN ITS CONTROL. EACH PURCHASER OF THIS SECURITY IS HEREBY NOTIFIED THAT THE SELLER OF THIS SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF, FOR THE BENEFIT OF THE ISSUER, AGREES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE 'REALE RESTRICTION TERMINATION DATE') WHICH IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE

UNDER THE SECURITIES ACT, (C) TO A PERSON IT REASONABLY BELIEVES IS A 'QUALIFIED INSTITUTIONAL BUYER' AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT ('RULE 144A') THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A AND OTHERWISE IN COMPLIANCE WITH RULE 144A, (D) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, (E) TO AN 'INSTITUTIONAL ACCREDITED INVESTOR' WITHIN THE MEANING OF SUB PARAGRAPHS (a)(1), (a)(2), (a)(3) OR (a)(7) OF RULE 501 UNDER THE SECURITIES ACT THAT IS ACQUIRING THE SECURITY FOR ITS OWN ACCOUNT, OR FOR THE ACCOUNT OF SUCH AN 'INSTITUTIONAL ACCREDITED INVESTOR', IN EACH CASE IN A MINIMUM NOMINAL AMOUNT OF U.S.\$500,000 FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO, OR FOR OFFER OR SALE IN CONNECTION WITH, ANY DISTRIBUTION IN VIOLATION OF THE SECURITIES ACT, (F) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 (IF AVAILABLE) OR (G) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE ISSUER'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (E), (F) OR (G) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO THE ISSUER, AND IN EACH OF THE FOREGOING CASES, A CERTIFICATE OF TRANSFER IN THE FORM APPEARING BELOW OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE RELEVANT TRANSFER AGENT. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS SECURITY FROM IT OF THE TRANSFER RESTRICTIONS REFERRED TO IN THIS PARAGRAPH. NO REPRESENTATION CAN BE MADE AS TO AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS SECURITY.

IF REQUESTED BY THE ISSUER OR BY A DEALER, THE PURCHASER AGREES TO PROVIDE THE INFORMATION NECESSARY TO DETERMINE WHETHER THE TRANSFER OF THIS SECURITY IS PERMISSIBLE UNDER THE SECURITIES ACT. THIS SECURITY AND RELATED DOCUMENTATION MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO THE RESALE OR TRANSFERS OF RESTRICTED SECURITIES GENERALLY. BY THE ACCEPTANCE OF THIS SECURITY, THE HOLDER HEREOF SHALL BE DEEMED TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT.

Each purchaser of Definitive Registered Securities will be required to deliver to the Issuer and the Registrar an IAI Investment Letter substantially in the form prescribed in the Agency Agreement. The Definitive Registered Securities will be subject to the transfer restrictions set forth in the above legend, such letter and in the Agency Agreement. Inquiries concerning transfers of Securities should be made to any Dealer.

## NETHERLANDS TAXATION

### General

*The following summary describes the principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of the Securities, but does not purport to be a comprehensive description of all Netherlands tax considerations in relation thereto. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the Securities.*

*This summary is based on the tax legislation, published case law, treaties, regulations and published policy, in force as of the date of this Base Prospectus, though it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.*

*This summary only addresses the Netherlands tax consequences for holders of Securities that are resident or deemed to be resident of the Netherlands for Netherlands tax purposes. This summary does not address the Netherlands tax consequences for:*

- (i) holders of Securities holding a substantial interest (aanmerkelijk belang) in the Issuer. Generally speaking, a Securityholder holds a substantial interest in the Issuer, if such Securityholder, alone or, where such holder is an individual, together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of 5 per cent or more of the total issued capital of the Issuer or of 5 per cent or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;*
- (ii) pension funds or other entities that are exempt from Netherlands corporate income tax; and*
- (iii) investment institutions (fiscale beleggingsinstellingen) and exempt investment institutions (vrijgestelde beleggingsinstelling).*

### Withholding tax

All payments made by the Issuer under the Securities 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 Securities do not in fact function as equity of the Issuer within the meaning of article 10, paragraph 1, under d of the Netherlands corporate income tax act 1969 (Wet op de vennootschapsbelasting 1969).

### Corporate and individual income tax

If a Securityholder is resident or deemed to be resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of its enterprise to which the Securities are attributable, income derived from the Securities and gains realised upon the redemption or disposal of the Securities are generally taxable in the Netherlands (up to a maximum rate of 25.5%).

If an individual Securityholder is resident or deemed to be resident of the Netherlands for Netherlands tax purposes (including the individual holder who has opted to be taxed as a resident of the Netherlands), income derived from the Securities and gains realised upon the redemption or disposal of the Securities are taxable at the progressive rates of the Netherlands income tax act 2001 (up to a maximum rate of 52%), if:

- (i) the Securityholder has an enterprise or an interest in an enterprise, to which enterprise the Securities are attributable; or*
- (ii) such income or gains qualify as income from miscellaneous activities (resultaat uit overige werkzaamheden), which include the performance of activities with respect to the Securities that exceed regular, active portfolio management (normaal, actief vermogensbeheer).*

If neither condition (i) nor condition (ii) applies to the Securityholder taxable income with regard to the Securities must be 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. At present, this deemed return on income from savings and investments has been fixed at a rate of 4% of the average of the individuals yield basis (*rendementsgrondslag*) at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar as the average exceeds a certain threshold. The average of the individual's yield basis is determined as the fair market value of certain qualifying assets held by the Securityholder less the fair market value of certain qualifying liabilities on 1 January and 31 December, divided by two. The fair market value of the Securities will be included as an asset in the individual's yield basis. The deemed return on income from savings and investments of 4% will be taxed at a rate of 30 per cent.

### **Gift and Inheritance taxes**

Generally gift and inheritance taxes will be due in the Netherlands in respect of the acquisition of the Securities by way of a gift by, or on the death of, a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death.

A holder of the Netherlands nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax, if he or she has been resident in the Netherlands during the ten years preceding the gift or his or her death. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax if he or she has been resident in the Netherlands at any time during the twelve months preceding the time of the gift. The same twelve-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

### **Value added tax**

In general, no value added tax will arise in respect of payments in consideration for the issue of the Securities or in respect of the cash payment made under the Securities, or in respect of a transfer of Securities.

### **Other taxes and duties**

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be payable in the Netherlands by a Securityholder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Securities.

### **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from the 1st 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, Belgium, 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 1st July, 2005, a number of non-EU countries including Switzerland, 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.

## **UNITED STATES TAXATION**

The Final Terms, where applicable, will discuss the United States federal income tax consequences relevant to such type or types of Securities as is appropriate. Prospective purchasers of the Securities should carefully examine the applicable Final Terms and should consult their own tax advisors regarding the United States federal income tax consequences to them of holding and disposing of those Securities.

## UNITED KINGDOM TAXATION IN THE EVENT OF A SUBSTITUTION

The following applies only in the event that there has been a Substitution in respect of any Series of Securities and will apply only to persons who are the beneficial owners of the relevant Securities. It is a summary of the new Issuer's understanding of current law and practice in the United Kingdom relating to certain aspects of United Kingdom taxation. Some aspects do not apply to certain classes of person (such as dealers and persons connected with the new Issuer) to whom special rules may apply. The United Kingdom tax treatment of prospective Securityholders will depend on their individual circumstances and may be subject to change in the future. Prospective Securityholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

### A. Interest on the Securities

#### 1. *Payment of Interest on the Securities*

Provided that following the Substitution the new Issuer continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 (the "Act"), and the interest on the Securities is paid in the ordinary course of the new Issuer's business within the meaning of section 878 of the Act, will be entitled to make payments of interest without withholding or deduction for or on account of United Kingdom income tax.

Payments of interest on the Securities may be made without deduction of or withholding on account of United Kingdom income tax provided that following the Substitution the Securities continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Act. Euronext Amsterdam is a recognised stock exchange. The Securities will satisfy this requirement if they are officially listed in the Netherlands in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading by Euronext Amsterdam. Provided, therefore, that the Securities remain so listed, interest on the Securities will be payable without withholding or deduction on account of United Kingdom tax whether or not the new Issuer carries on a banking business in the United Kingdom and whether or not the interest is paid in the ordinary course of its business.

Interest on the Securities may also be paid without withholding or deduction on account of United Kingdom tax where interest on the Securities is paid by a company and, at the time the payment is made, the new Issuer reasonably believes (and any person by or through whom interest on the Securities is paid reasonably believes) that the Securityholder is within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HM Revenue & Customs ("HMRC") has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the Securities may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Securities is less than 365 days.

In other cases, an amount must generally be withheld from payments of interest on the Securities following the Substitution on account of United Kingdom income tax at the savings rate (currently 20%) (or, if the Finance Bill 2008 is enacted in its current form, from 6 April 2008, the basic rate, which would also be 20%). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Securityholder, HMRC can issue a notice to the new Issuer to pay interest to the

Securityholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Securityholders may wish to note that, in certain circumstances, following the Substitution HMRC will have power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Securityholder. HMRC also will have power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Securities which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 to or receives such amounts for the benefit of another person, although HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of amounts payable on the redemption of deeply discounted securities where such amounts are paid on or before 5 April 2009. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Securityholder is resident for tax purposes.

## 2. *EU Savings Directive*

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

## **B. Substitution**

Securityholders who are within the charge to United Kingdom taxation should note that, depending on their individual circumstances, Substitution could be treated as a disposal of the relevant Securities for UK taxation purposes. In general, Securityholders which are within the charge to United Kingdom corporation tax will be subject to tax in relation to any Substitution broadly in accordance with their statutory accounting treatment. Securityholders who may be unsure as to their tax position on a Substitution should seek their own professional advice.

## SUBSCRIPTION AND SALE

The Initial Dealer has, in an amended and restated programme agreement dated 11 July 2008 (as further supplemented and/or amended and/or restated from time to time, the 'Programme Agreement'), agreed with the Issuer a basis upon which it may from time to time agree to purchase Securities. Any such agreement will extend to those matters stated under "Form of the Securities" and "Terms and Conditions of the Securities" above. In the Programme Agreement, the Issuer has agreed to reimburse the Initial Dealer for certain expenses in connection with the establishment and any future update of the Programme and the issue of Securities under the Programme.

**The restrictions set out below, save in so far as they relate to the United Kingdom and The Netherlands relate to certain of the restrictions which apply to the sale and distribution of Securities only in the relevant jurisdiction. Additional or different restrictions may apply to the sale and distribution of Securities in the relevant jurisdiction and the Initial Dealer and each further Dealer appointed under the Programme has agreed to comply with all such restrictions.**

### United States

The Securities 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 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.

Securities 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 meaning given to them by the United States Internal Revenue Code of 1986 and regulations thereunder.

The Initial Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it has not offered or sold, and will not offer or sell, Securities of any Tranche (a) as part of their distribution at any time and (b) otherwise until 40 days after the later of the date of issue of the relevant Tranche of Securities and the completion of the distribution of such Tranche as certified to the Principal Paying Agent or the Issuer by the relevant Dealer, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each Dealer to which it sells Securities of such Tranche during the Distribution Compliance Period (other than pursuant to Rule 144A) a confirmation or other notice setting forth the restrictions on offers and sales of such Securities within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of any Tranche of Securities, an offer or sale of Securities of such Tranche within the United States by a Dealer (whether or not participating in the offering of such Securities) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the Securities Act.

Notwithstanding the foregoing, Dealers nominated by the Issuer may arrange for the offer and sale of Registered Securities in the United States to QIBs pursuant to Rule 144A or otherwise in transactions exempt from registration under the Securities Act. Each purchaser of such Securities is hereby notified that the offer and sale of such Securities may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. In addition, pursuant to the terms of the Programme Agreement, Definitive Registered Securities may be offered and sold in the United States to Institutional Accredited Investors pursuant to Section 4(2) of the Securities Act or in a transaction otherwise exempt from registration under the Securities Act. See "Notice to Purchasers and Holders of Restricted Securities and Transfer Restrictions" above.

In addition, certain Series of Securities in respect of which any payment is determined by reference to an index or formula, or to changes in prices of securities or commodities, or certain other Securities will be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree, as indicated in the



applicable Final Terms. The Initial Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will offer, sell and deliver such Securities only in compliance with such additional U.S. selling restrictions.

The relevant Dealer may engage in over-allotment, stabilising transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Exchange Act. Over-allotment involves sales in excess of the aggregate nominal amount of a Tranche of Securities, which creates a short position for the relevant Dealer. Stabilising transactions permit bids to purchase Securities so long as the stabilising bids do not exceed a specified maximum. Covering transactions involve purchases of Securities in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the relevant Dealer to reclaim a selling concession when a Security originally sold by such Dealer is purchased in a covering transaction to cover a short position. Such stabilising transactions, covering transactions and penalty bids may cause the price of Securities to be higher than it would otherwise be in the absence of such transactions.

### **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, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the 'Relevant Implementation Date') it has not made and will not make an offer of Securities 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 Securities to the public in that Relevant Member State:

- (a) if the final terms in relation to the Securities specify that an offer of those Securities 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 Securities 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;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year, (2) a total balance sheet of more than €43,000,000; and (3) an annual turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in (b) to (e) 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 Securities to the public** in relation to any Securities 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 Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

## **United Kingdom**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) 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 Financial Services and Markets Act 2000 (the 'FSMA'), received by it in connection with the issue or sale of any Securities 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
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

## **Japan**

The Securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended, the "FIEL") and the Initial Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will not offer or sell any Securities, directly or indirectly, 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 resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws and regulations of Japan.

## **The Netherlands**

Zero Coupon Notes in Definitive Bearer form and other Securities 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 Netherlands 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 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 immediately thereafter distributed in The Netherlands.

## **Germany**

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 offer or sell Securities in the Federal Republic of Germany other than in compliance with the provisions of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) of 22nd June, 2005 (as amended), or any other laws applicable in the Federal Republic of Germany governing the issue, offering and sale of securities.

## **Austria**

Each Dealer has represented and each New Dealer will be required to represent and agree that it will offer and sell Notes only in compliance with the Capital Markets Act (*Kapitalmarktgesetz*) of 1992.

## **General**

The Initial Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers or sells Securities or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or

delivery by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any of the other Dealers shall have any responsibility therefor.

Neither the Issuer nor any Dealer represents that Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with any other additional restrictions set out in the applicable Final Terms.

## GENERAL INFORMATION

### Authorisation

The update of the Programme and the issue of Securities under the Programme have been duly authorised by the Issuer on 16 January 2008. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of The Netherlands have been given for the issue of Securities by the Issuer and for the Issuer to undertake and perform its obligations under the Programme Agreement, the Agency Agreement and the Securities.

### Responsibility

The Issuer accepts responsibility for the information contained in this Base Prospectus other than (i) information in respect of The Royal Bank of Scotland plc ('RBS') contained in the section "Summary of the Programme and Terms and Conditions of the Securities" and (ii) any information contained in the Prospectus of RBS dated 14 May, 2008 in respect of its US\$50,000,000,000 Structured Note Programme as supplemented by the supplementary prospectuses dated 20 June 2008 and 8 July 2008 which are incorporated by reference herein (both (i) and (ii), 'RBS information'). To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information other than any RBS 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. RBS accepts responsibility for the RBS information and to the best of the knowledge of RBS (which has taken all reasonable care to ensure that such is the case), the RBS 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.

### Listing

Application has been made for the Securities to be issued under the Programme to be listed on Euronext Amsterdam. For so long as the Securities are listed on Euronext Amsterdam there will be a paying agent in The Netherlands. ABN AMRO Bank N.V. has been appointed as the initial paying agent in The Netherlands. Dexia Banque Internationale à Luxembourg, *société anonyme* has been appointed as the initial paying agent in Luxembourg.

### Documents Available

So long as Securities are capable of being issued under the Programme, copies of the following documents will, when published, be available free of charge from the registered office of the Issuer, from the specified office of the Principal Paying Agent and from the specified offices of the Amsterdam Listing Agent and the Paying Agents in The Netherlands and Luxembourg, except that the Programme Agreement and the Agency Agreement will be available for inspection only:

- (i) an English translation of the Certificate of Incorporation and the most recent Articles of Association of the Issuer;
- (ii) the audited financial statements of ABN AMRO Holding N.V. for the financial years ended 31 December 2006 and 31 December 2007 and the most recently available published interim financial statements of ABN AMRO Holding N.V. (in English), in each case together with the audit reports prepared in connection therewith;
- (iii) the Programme Agreement and the Agency Agreement (which contains the forms of the Temporary and Permanent Global Securities, the Definitive Securities, the Receipts, the Coupons and the Talons, the Regulation S Global Securities, the Restricted Global Securities, the Definitive Registered Securities and the Deed of Covenant);
- (iv) a copy of this Base Prospectus including all the documents incorporated by reference in it and, including the Registration Document; and

- (v) the Final Terms for each Tranche of listed Securities.

### **Clearing and Settlement Systems**

The Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg. In addition, the Issuer will make an application for any Registered Securities to be accepted for trading in book-entry form by DTC. The appropriate common code and ISIN for each Tranche of Securities allocated by Euroclear and Clearstream, Luxembourg together with the CUSIP number for each Tranche of Registered Securities, and any other relevant security code, will be specified in the applicable Final Terms. In addition, the Issuer will make an application for any Registered Securities to be accepted for trading in book-entry form by DTC. If the Securities are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

### **Conditions for Determining Prices**

The price and amount of Securities to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

### **Material Change**

There has been no significant change in the financial position of the Issuer (taken as a whole) since 31 December 2007. There has been no material adverse change in the financial position or prospects of the Issuer (taken as a whole) since 31 December 2007 other than resulting from the acquisition of ABN AMRO Holding N.V. by the consortium and the transition of entities and businesses resulting from this.

### **Litigation**

In several jurisdictions legal proceedings have been initiated against the Issuer or its group companies whose financial statements have been included in the consolidated annual accounts dated 31st December, 2007 of ABN AMRO Holding N.V. Neither the Issuer nor ABN AMRO Holding N.V. is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or ABN AMRO Holding N.V. are aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer or ABN AMRO Holding N.V.

### **Auditors**

Ernst & Young Accountants (registered accountants) act as the auditors of the financial statements of the Issuer and have done so for at least three years.

### **Post-Issuance Information**

The Issuer does not intend to provide any post-issuance information in relation to any issues of Securities.

### **Dealers transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may provide services to the Issuer and its affiliates in the ordinary course of business.

**Registered office of the Issuer**

**ABN AMRO Bank N.V.**  
Gustav Mahlerlaan 10  
1082 PP Amsterdam  
The Netherlands

**Principal Paying Agent, Transfer Agent and Exchange Agent**

**Citibank, N.A.**  
21st Floor, Citigroup Centre  
Canada Square  
Canary Wharf  
London EC14 5LB  
England

**Registrar**

**Citigroup Global Markets  
Deutschland AG & Co.  
KGaA**  
Reuterweg 16, 60323  
Frankfurt  
Germany

**Paying Agent in Luxembourg**

**Dexia Banque Internationale à Luxembourg, société anonyme**  
69, route d'Esch  
L-2953 Luxembourg

**Paying Agent in the Netherlands**

**ABN AMRO Bank N.V.**  
Kemelstede 2  
4817 ST Breda  
The Netherlands

**Initial Dealer**

**ABN AMRO Bank N.V.**  
Gustav Mahlerlaan 10  
1082 PP Amsterdam  
The Netherlands

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*To the Dealers*

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**Independent Public Accountants**

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**Amsterdam Listing Agent**

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