



# FORTIS BANK (NEDERLAND) N.V.

(INCORPORATED WITH LIMITED LIABILITY UNDER THE LAWS OF THE NETHERLANDS WITH STATUTORY SEAT IN AMSTERDAM AND REGISTERED WITH THE DUTCH REGISTRY OF THE CHAMBER OF COMMERCE AND INDUSTRY FOR AMSTERDAM UNDER NUMBER 30080248)

EUR 40,000,000,000

## DEBT ISSUANCE PROGRAMME

Under this EUR 40,000,000,000 Debt Issuance Programme (the "**Programme**"), Fortis Bank (Nederland) N.V. (formerly known as Fortis Bank Nederland (Holding) N.V.) ("**FB(N)**" or the "**Issuer**") may from time to time issue medium term notes (the "**Medium Term Notes**") and capital securities (the "**Capital Securities**"), together with the Medium Term Notes: the "**Notes**"), denominated in any currency agreed with the relevant Dealer (as defined below). Medium Term Notes may be issued as unsubordinated obligations, dated subordinated obligations or undated subordinated obligations of FB(N).

The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed EUR 40,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The Notes may be issued on a continuous basis to one or more of the Dealers specified herein 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**"). References in this Base Prospectus to the "**relevant Dealer**" shall, in relation to any issue of Notes, be to the Dealer or Dealers agreeing to purchase such Notes.

This base prospectus (the "**Base Prospectus**") has been approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the "**AFM**"), which is the Netherlands competent authority for the purpose of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in The Netherlands, as a base prospectus issued in compliance with the Prospectus Directive, Chapter 5.1 of the Netherlands Financial Markets Supervision Act (*Wet op het financieel toezicht*, the "**Wft**") and any other relevant implementing legislation in The Netherlands for the purpose of giving information with regard to the issue of Notes under the Programme during the period of twelve months from its date of publication. This Base Prospectus constitutes a base prospectus for the purposes of article 5.4 of the Prospectus Directive. Application has been made for Notes issued under the Programme to be admitted to listing on the official list and to trading on the regulated market (as defined in Directive 2004/39/EC) of the Luxembourg Stock Exchange. Application has been made to Euronext Amsterdam N.V. ("**Euronext Amsterdam**") for Notes issued under the Programme to be admitted to listing and trading on Euronext Amsterdam by NYSE Euronext. FB(N) has requested the AFM to provide the Commission de Surveillance du Secteur Financier in Luxembourg with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive (a "**Notification**"). The AFM may be requested, from time to time, to provide Notifications to the competent authorities (for the purposes of the Prospectus Directive) of other European Economic Area Member States. A list of Member States to which such a certificate has been provided may be obtained from the Issuer or the Luxembourg Listing Agent. Details of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined herein) of Notes will be set forth in the final terms (the "**Final Terms**") which, with respect to Notes to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and/or admitted to listing and trading on Euronext Amsterdam by NYSE Euronext, and/or such other stock exchange and/or quotation system, will be delivered to the AFM, the Luxembourg Stock Exchange and/or Euronext Amsterdam and/or such other competent authority, stock exchange and/or quotation system as the case may be. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with FB(N). Under the Wft, which implements the Prospectus Directive, prospectuses relating to an offering to the public or to the admission to trading on a regulated market of money market instruments with a maturity at issue of less than 12 months that also comply within the definition of securities are not subject to the approval provisions of such law and do not have to be approved by the AFM.

Medium Term Notes to be issued under the Programme are expected to be rated F1+ (short term), A+ (long term) and A (dated subordinated Notes) by Fitch Ratings Ltd. ("**Fitch**"), Prime-1 (short term), A1 (long term) and A2 (dated subordinated Notes) by Moody's Investors Service Limited ("**Moody's**") and A-1 (short term), A (long term) and A- (dated subordinated Notes) by Standard & Poor's Rating Services ("**S&P**").

The Notes have not been and will not be registered under the United States Securities Act 1933, as amended, (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and are subject to U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of US persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act (see "*Subscription and Sale*" below).

The Notes will be in bearer form ("**Bearer Notes**"). Medium Term Notes may also be in registered form ("**Registered Notes**"). Unless otherwise provided in the applicable Final Terms, Bearer Notes of each Tranche will be represented by a temporary global note ("**Temporary Global Note**") or a permanent global note ("**Permanent Global Note**") and, together with the Temporary Global Note, "**Global Notes**", in each case as specified in the applicable Final Terms and Registered Notes will be represented by a global certificate ("**Global Certificate**"). Each Global Note which is not intended to be issued in a new global note ("**NGN**") form (a "**Classic Global Note**" or "**CGN**"), as specified in the applicable Final Terms, or the Global Certificate for any issue, will be deposited on the issue date thereof with, and the Global Certificate will be registered in the name of, or in the name of a nominee for, (i) a depository or a common depository on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and/or any other relevant clearing system as may be agreed between the Issuer and the relevant Dealer(s) or (ii) Nederlands Centraal Instituut voor Giraal Effectenverkeer BV ("**Euroclear Netherlands**"). Each Global Note which is intended to be issued in NGN form (a "**New Global Note**" or "**NGN**"), as specified in the applicable Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. The Temporary Global Note will be exchangeable (as provided in the applicable Final Terms) for either a Permanent Global Note or Notes in definitive form ("**Definitive Notes**"), in each case (unless otherwise provided in the applicable Final Terms) upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. Unless otherwise specified in the applicable Final Terms, a Permanent Global Note will be exchangeable for Definitive Notes, and a Global Certificate will be exchangeable for individual certificates ("**Individual Certificates**"), in accordance with its terms (see "*Provisions relating to the Notes whilst in Global Form*" below).

FB(N) may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event a supplement to the Base Prospectus will be prepared.

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

Arranger

MEESPIERSON

Dealers

ABN AMRO  
BNP PARIBAS  
CALYON CREDIT AGRICOLE CIB  
DEUTSCHE BANK  
HSBC  
J.P. MORGAN  
MORGAN STANLEY  
RBC CAPITAL MARKETS  
THE ROYAL BANK OF SCOTLAND

BARCLAYS CAPITAL  
BOFA MERRILL LYNCH  
CITI  
GOLDMAN SACHS INTERNATIONAL  
ING WHOLESALE BANKING  
MEESPIERSON  
RABOBANK INTERNATIONAL  
SOCIETE GENERALE CORPORATE & INVESTMENT BANKING  
UBS INVESTMENT BANK

THE DATE OF THIS BASE PROSPECTUS IS 6 NOVEMBER 2009

This Base Prospectus is valid for a period of 12 months from the date hereof.

## INTRODUCTION

### Responsibility Statement

FB(N) accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of FB(N) (which has taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and contains no omission likely to affect its import.

### Forward-looking Statements

This Base Prospectus contains forward-looking statements and estimates with respect to the anticipated future performance of FB(N) and the market in which it operates. Certain of these statements and estimates can be recognized by the use of words such as, without limitation, "*believes*", "*anticipates*", "*expects*", "*intends*", "*plans*", "*target*", "*aims*", "*project*", "*seeks*", "*estimates*", "*may*", "*will*", "*would*" and "*continue*" and similar expressions. Actual events are difficult to predict and may depend upon factors that are beyond FB(N)'s control. Therefore, actual results, the financial condition, performance or achievements of FB(N) may turn out to be materially different from any future results, performance or achievements expressed or implied by such statements and estimates. Given these uncertainties, prospective purchasers are cautioned not to place any undue reliance on such forward-looking statements. Furthermore, these forward-looking statements and estimates are made only as of the date of this Base Prospectus. FB(N) disclaims any obligation to update any such forward-looking statement or estimates to reflect any change in FB(N)'s expectations with regard thereto, or any change in events, conditions or circumstances on which any such statement or estimate is based, except to the extent required by any applicable law.

### Notices

Each Tranche (as defined herein) of Medium Term Notes will be issued on the terms set out herein under "*Terms and Conditions of the Medium Term Notes*" (the "**MTN Conditions**") and each Tranche of Capital Securities will be issued on the terms set out herein under "*Terms and Conditions of the Capital Securities*" (the "**Capital Securities Conditions**"), and together with the MTN Conditions: the "**Conditions**") as amended and/or supplemented by a document specific to such Tranche called Final Terms or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms and Drawdown Prospectuses*" below. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise. This Base Prospectus should be read and construed with any supplement hereto and with any other documents or information incorporated by reference herein and, in relation to any Series (as defined herein) of Notes which is the subject of Final Terms (as defined therein), must be read and construed with the applicable Final Terms.

FB(N) has confirmed to the Dealers that this Base Prospectus is true, accurate and complete in all material respects and is not misleading; that the opinions and intentions expressed therein are honestly held and based on reasonable assumptions; that there are no other facts in relation to the information contained or incorporated by reference in this Base Prospectus the omission of which would, in the context of the Programme or the issue of the Notes, make any statement therein or opinions or intentions expressed therein misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing. FB(N) has further confirmed to the Dealers that this Base Prospectus (together with the applicable Final Terms) contains all such information as may be required by all applicable laws, rules and regulations.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any supplement hereto or any information supplied by FB(N) or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by FB(N) or any Dealer.

Neither the Dealers, other than FB(N), nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus nor separately verified the information contained in this Base Prospectus. No representation or warranty is made or implied by the Dealers, other than FB(N), or any of their respective affiliates, and neither the Dealers, other than FB(N), nor any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change or any event reasonably likely to involve any adverse change in the prospects or financial or trading position of FB(N) since the date thereof or, if later, the date upon which this Base Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

In the context of "*an offer of Notes to the public*", as defined below in "*Subscription and Sale*", and subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealers or the

Managers and the persons named in or identifiable following the applicable Final Terms as the financial intermediaries, as the case may be.

Any person (an "**Investor**") intending to acquire or acquiring any Notes from any person (an "**Offeror**") should be aware that in the context of "*an offer of Notes to the public*", as defined below in "*Subscription and Sale*", FB(N) may be responsible to the Investor for the Base Prospectus only if FB(N) has authorised that Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by FB(N). If the Offeror is not authorised by FB(N), the Investor should check with the Offeror whether anyone (other than FB(N)) is responsible for the prospectus used by that Offeror in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether FB(N) has authorised the Offeror to make the offer to the Investor it should take legal advice.

An Investor intending to acquire or acquiring any Notes from an Offeror will do so, and offers and sales of the Notes to an Investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such Investor including as to price, allocations and settlement arrangements. FB(N) will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, this Base Prospectus and any Final Terms will not contain such information and an Investor must obtain such information from the Offeror.

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by FB(N) and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "*Subscription and Sale*". In particular, Notes have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes will be in bearer form and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S).

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation by or on behalf of FB(N) or the Dealers to subscribe for or purchase any Notes and should not be considered as a recommendation by FB(N), the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of FB(N).

Structured securities, including certain of the Notes which may be issued under the Programme, are sophisticated instruments, can involve a high degree of risk and are intended for sale only to those investors capable of understanding the risk entailed in such instruments. Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they understand the nature of the Notes as an investment in the light of their own circumstances and financial condition. Prospective purchasers of the Notes should conduct their own investigations and, in deciding whether or not to purchase Notes, should form their own views of the merits of an investment related to the Notes based upon such investigations and not in reliance upon any information given in this document and the applicable Final Terms. In particular, each investor contemplating purchasing any Notes should make its own appraisal of any share or index, fund, debt security, currency, commodity or other asset to which such Note may be linked (including the creditworthiness of the Issuer of any share or debt or other security to which such Note may be linked). If in doubt potential investors are strongly recommended to consult with their financial advisers before making any investment decision. (See "*Risk Factors*" below).

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed EUR 40,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes calculated in accordance with the provisions of the Dealership Agreement as defined under "*Subscription and Sale*"). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealership Agreement as defined under "*Subscription and Sale*".

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

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, and references to "**EUR**" or "**euro**" are to the single 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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## SUMMARY

*This summary must be read as an introduction to the Base Prospectus of the Issuer dated 6 November 2009 that constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive. Any decision to invest in the Notes should be based on a consideration of this Base Prospectus as a whole, including any supplements to this Base Prospectus and the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive (Directive 2003/71/EC) in each Member State of the European Economic Area no civil liability will attach to the persons taking responsibility for the Base Prospectus (the "Responsible Persons") in any such Member State solely on the basis of this summary, including any translation thereof, 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 a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.*

### Essential characteristics of FB(N)

FB(N), a public limited liability company (*naamloze vennootschap*), was incorporated under Dutch law on 29 November 1986. The corporate seat of FB(N) is in Amsterdam, The Netherlands. The registered office of FB(N) is Prins Bernhardplein 200, 1097 JB Amsterdam, telephone number +31 (0)20 5279111. FB(N) is registered in the Commercial Register of the Amsterdam Chamber of Commerce (*handelsregister van de Kamer van Koophandel en Fabrieken in Amsterdam*), under number 30080248.

Effective 1 September 2009, Fortis Bank Nederland (Holding) N.V. and Fortis Bank (Nederland) N.V. merged following which Fortis Bank Nederland (Holding) N.V. acquired Fortis Bank (Nederland) N.V. and Fortis Bank (Nederland) N.V. ceased to exist. Effective 1 September 2009, Fortis Bank Nederland (Holding) N.V. changed its statutory name in Fortis Bank (Nederland) N.V.

FB(N)'s objectives are to engage in banking business, to render insurance intermediary services and to participate in, to conduct the management of and to finance other businesses of whatever nature, to render (staff) services and other support to group companies, to invest and manage assets and to guarantee debts of affiliated companies.

FB(N) is active as a holding company for a variety of businesses providing banking and financial services in The Netherlands and other jurisdictions. Its main activities are Retail Banking and Merchant & Private Banking.

FB(N) offers its financial services under the 'Fortis Bank Nederland' brand, in addition to the Private Banking and Corporate Finance & Capital Markets operations that operate under the brand name MeesPierson.

Retail Banking offers financial services to retail customers including individuals, self employed people, members of the independent professions and small businesses. FB(N) operates through a variety of distribution channels to deliver service and advice on every aspect of individual banking, saving, investment, credit and insurance.

Merchant Banking is the international wholesale bank of FB(N). It provides tailored financial services to corporate and institutional clients based in the Netherlands and in selected areas abroad.

Private Banking offers integrated asset and liability management solutions to high net worth individuals, their businesses and their advisers.

FB(N)'s activities also encompass a number of Dutch and international businesses that continue to provide financial services under their existing names. These include Fortis Commercial Finance Holding N.V. (factoring services), International Card Services B.V. (card services), ALFAM Holding N.V. (consumer credit), Direktbank N.V. (consumer credit and mortgages), Fortis Bank Global Clearing N.V. (integrated clearing and settlement services) and Fortis Hypotheek Bank N.V. (residential mortgages).

FB(N)'s activities are divided in businesses that work on a cross border basis.

FB(N)'s shareholders are The State of The Netherlands and Fortis FBN(H) Preferred Investments B.V. The State of The Netherlands holds all the outstanding ordinary shares as well as two non-cumulative preference shares convertible into ordinary shares B. Fortis FBN(H) Preferred Investments B.V. holds one hundred and fifty thousand non-cumulative preference shares A. The State of The Netherlands holds a majority of shares in FBN(H) Preferred Investments B.V.

FB(N)'s Board of Directors consists of Mr. J.C.M. van Rutte, Mr. J.R. Dijst and Mr. F.M.R. van der Horst.

### Risks relating to the business of FB(N)

The following is a summary of some of the investment considerations relating to the business of FB(N):

- As part of the financial services industry, FB(N) faces substantial competitive pressures which could adversely affect its results of operations.

- Market conditions can adversely affect FB(N)'s results.
- Securities market volatility or downturns may adversely affect FB(N)'s banking activities.
- Volatility in interest rates may adversely affect FB(N)'s banking businesses.
- FB(N)'s business is exposed to liquidity risks.
- FB(N)'s risk management methods may leave FB(N) exposed to unidentified, unanticipated or incorrectly quantified risks, which could lead to material losses or material increases in liabilities.
- While FB(N) manages its operational risks, these risks remain an inherent part of all of its businesses.
- FB(N) has significant counterparty risk exposure and exposure to systemic risks.
- Catastrophic events, terrorist attacks and other acts of war could have a negative impact on FB(N)'s business and results.
- FB(N)'s results of operations can be adversely affected by significant adverse regulatory developments including changes in tax law.
- FB(N)'s business is sensitive to changes in governmental policies and international economic conditions that could limit its operating flexibility and reduce its profitability.
- FB(N)'s businesses have a dominant concentration in The Netherlands.
- FB(N) disentanglement from the Fortis group may adversely affect FB(N)'s operations.
- FB(N) operates under the supervision of several regulators in various jurisdictions which may impose restrictions and conditions.
- Litigation or other proceedings or actions may adversely affect FB(N)s' business, financial condition and results of operations.
- Reputational risk.

### **Essential characteristics of the Notes**

FB(N) may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Notes denominated in any currency. The aggregate principal amount of Notes outstanding will not at any time exceed EUR 40,000,000,000 (or its equivalent in other currencies), subject to any duly authorised increase.

Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. The method of distribution of each Tranche will be stated in the applicable Final Terms.

The Medium Term Notes may be issued in bearer form, with or without interest coupons, or in registered form and in such denominations as may be specified in the applicable Final Terms. The Capital Securities will be issued in bearer form, without interest coupons, and in such denominations as may be specified in the applicable Final Terms.

The Notes may be issued as unsubordinated obligations, dated subordinated obligations or undated subordinated obligations of FB(N). The Notes may also be issued as Capital Securities.

The Notes do not contain a negative pledge provision. The Medium Term Notes do contain a cross default provision (for Unsubordinated Notes only).

The aggregate principal amount, any interest rate or interest calculation, the issue price, any maturity and any other terms and conditions not contained herein with respect to each Tranche of Notes will be established at the time of issuance and set forth in the applicable Final Terms.

The applicable Final Terms of the Medium Term Notes will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments if applicable, or following an Event of Default) or that such Notes will be redeemable for taxation reasons, illegality or at the option of FB(N) (in whole or in part) and/or, in the case of Unsubordinated Notes, the Noteholders upon giving such period of notice as may be agreed between FB(N) and the relevant Dealer. The Capital Securities can be redeemed, exchanged or converted in accordance with the applicable terms and conditions and subject to the approval of the Dutch Central Bank (*De Nederlandsche Bank N.V.*) upon the occurrence of certain specified tax or regulatory events, or the exercise of an issuer call. Subordinated Notes can only be early-redeemed subject to approval of the Dutch Central Bank (*De Nederlandsche Bank N.V.*).

FB(N) may also issue Notes the terms of which permit it to pay and/or discharge its obligations with respect of such Notes by the payment or delivery of securities and/or other property or any combination of cash, securities and/or other property. The terms of such Notes and the conditions upon which such payment and/or discharge may be effected will be set out in full in the applicable Final Terms or Drawdown Prospectus, as appropriate.

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

Application has been made for the Notes issued under the Programme to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange. Application has also been made to Euronext Amsterdam for Notes issued under the Programme to be admitted to listing and trading on Euronext Amsterdam by NYSE Euronext. Notes may also be issued under the Programme whereby they will be admitted to listing, trading and/or quotation by other stock exchanges, competent authorities and/or quotation systems, or may be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system.

The Notes will be governed by, and construed in accordance with, the laws of The Netherlands.

There are selling restrictions in relation to the United States, The Netherlands, France, the Republic of Italy, Spain, the United Kingdom, Luxembourg, the European Economic Area and Japan, and such other restrictions as may be required in connection with the offering and sale of a particular Series or Tranche of Notes. See "*Subscription and Sale*" below.

### **Risks relating to the Notes**

Factors that may affect the Notes generally:

- the market value of the Notes may be volatile and may be adversely affected by a number of factors;
- there may not be an active trading market for the Notes;
- purchasing the Notes as a hedge may not be effective and holders do not have any ownership interest in the Underlying;
- the Issuer and its affiliates are subject to various potential conflicts of interest in respect of the Notes, including in relation to their hedging and marketmaking activities which could have an adverse effect on the Notes;
- the Calculation Agent has substantial discretion to make adjustments to the Notes and may be subject to conflicts of interest in exercising this discretion;
- the Notes may be terminated prior to their stated maturity date in certain circumstances;
- the actual yield received by an investor may be reduced from the stated yield by transaction costs and taxes that may be payable by investors;
- the Notes may be subject to risks associated with Notes held in global form, settlement risk, risks associated with nominee arrangements and with trading in clearing systems;
- credit ratings may not reflect all risks;
- legal investment considerations may restrict certain investments;
- change of law.

Risks relating to certain of the Notes:

- FB(N) will pay principal and interest on the Notes in a specified currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency other than the specified currency.
- An optional redemption feature in any Notes may negatively impact their market value. During any period when FB(N) may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. An investor in such Notes may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes so redeemed.



- Notes issued under the Programme may be structured such that principal, interest and/or premium, if any, payable on such Notes are determined by reference to the value or level of various underlying factors or a combination thereof, including, but not limited to, a single share, a basket of shares, an index, a basket of indices, one or more currencies (including exchange rates or swap indices between currencies or composite currencies), commodities, interest rates, the value of the credit of underlying reference entity, reference entities, reference obligation(s), underlying obligation(s), units, shares or interests in a single fund or basket of funds, commodity, inflation index, formulae or other variables (the "**Underlying**"). Notes where the principal amount, interest amount and/or premium payable (if any) is dependent upon the performance of the Underlying may result in the Holder receiving no or only a limited return on his investment.

The price at which a Holder of Notes will be able to sell Notes prior to their redemption may be at a substantial discount to the market value of the Notes at the issue date depending upon the performance of the Underlying at the time of sale. Potential investors should be aware that:

- (i) the market price of such Notes may be very volatile;
  - (ii) they may receive no interest;
  - (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
  - (iv) they may lose all or a substantial portion of their principal;
  - (v) the Underlying may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies, securities, indices, funds;
  - (vi) if the Underlying is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Underlying on principal or interest payable likely will be magnified;
  - (vii) the timing of changes in the Underlying 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 Underlying, the greater the effect on yield; and
  - (viii) with respect to Equity-Linked Notes, if the Notes are redeemable either by payment of the principal amount or by delivery of the underlying shares in lieu thereof, there is no assurance that the value of the shares received will not be less than the principal amount of the Notes.
- FB(N) may issue fixed rate Notes. Investment in fixed rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of fixed rate Notes.
  - FB(N) may issue partly-paid Notes, where an investor pays part of the purchase price for the Notes on the issue date, and the remainder on one or more subsequent dates. Potential purchasers of such Notes should understand that a failure by a Noteholder to pay any portion of the purchase price when due may trigger a redemption of all of the Notes by FB(N) and may cause such purchaser to lose all or part of its investment.
  - FB(N) may issue Notes with principal or interest determined by reference to the performance of an underlying fund. Potential investors in such Notes should understand that:
    - (i) there are market risks associated with an actual investment in the underlying fund, and though the Notes do not create an actual interest in the underlying fund, the return on the Notes generally involves the same associated risks as an actual investment in the underlying fund;
    - (ii) third parties may subscribe for and redeem underlying fund interests, which may affect the performance and volatility of the fund's net asset value and the return on the Notes;
    - (iii) any performance of the underlying fund necessary for the Notes to yield a specific return is not assured;
    - (iv) the value of units in the underlying fund and the income from it may fluctuate significantly, and may be materially affected by, among other things, market trends, exchange rate fluctuations and political and economic developments in the countries in which the fund invests;
    - (v) trading and other costs incurred by funds affect their net asset value; and

- (vi) the funds may have investment strategies and guidelines that are very broad. They may also be free to engage in additional or alternative strategies without reference to any person.
- FB(N) may issue Capital Securities. The Capital Securities constitute direct, unsecured, subordinated securities of the Issuer and rank *pari passu* without any preference among themselves and with all other present and future unsecured and identically subordinated obligations of the Issuer, save for those preferred by mandatory provisions of law. The Capital Securities are subordinated to Subordinated Notes (other than Subordinated Notes qualifying as Tier 1 Notes (as defined below)). The Capital Securities are perpetual securities with no fixed redemption date, however, the Capital Securities can be redeemed, exchanged or converted in accordance with the applicable terms and conditions and subject to the approval of the Dutch Central Bank (*De Nederlandsche Bank N.V.*) upon the occurrence of certain specified tax or regulatory events, or the exercise of an issuer call. Under certain circumstances interest on Capital Securities shall not be payable on any Coupon Payment Date and as a consequence such unpaid interest may risk to be forfeited (*vervallen*) and there shall be no cumulation.
- FB(N) may issue Medium Term Notes under the Programme which are subordinated to the extent described in MTN Condition 3 (*Status of the Notes*) (the "**Subordinated Notes**"). In the event of the dissolution, liquidation or winding-up of FB(N) or if FB(N) is declared bankrupt or in the event that a competent court has declared that FB(N) is in a situation which requires emergency measures (*noodregeling*) in the interest of all creditors, as referred to in Chapter 3.5.5 of the Wft, and for so long as such situation is in force (such situation being hereafter referred to as "**Emergency Regulations**"), the claims of the holders of the Subordinated Notes against FB(N) will be subordinated to all other claims in respect of any other indebtedness of FB(N) except for Capital Securities and lower or *pari passu* ranking Subordinated Indebtedness (as defined in MTN Condition 3 (*Status of the Notes*)). By virtue of such subordination, payments to a holder of Subordinated Notes will, in the event of the dissolution or bankruptcy of FB(N) or in the event of Emergency Regulations with respect to FB(N), only be made after, and any set-off by a holder of Subordinated Notes shall be excluded until, all obligations of FB(N) resulting from deposits, unsubordinated claims with respect to the repayment of borrowed money and other unsubordinated claims and higher ranking Subordinated Indebtedness have been satisfied. A Holder of Subordinated Notes may therefore recover less than the holders of deposit liabilities or the holders of other unsubordinated or higher ranking subordinated liabilities of FB(N).
- In accordance with the Decree on prudential rules Wft (*Besluit Prudentiële regels Wft*) (the "**Decree on Prudential Rules Wft**") to which FB(N) is subject, the Undated Subordinated Notes issued by FB(N) may qualify as tier 1 capital ("**Tier 1 Notes**") or upper tier 2 capital ("**Upper Tier 2 Notes**"), and the Dated Subordinated Notes may qualify as lower tier 2 capital ("**Lower Tier 2 Notes**") and together with the Upper Tier 2 Notes, "**Tier 2 Notes**") or tier 3 capital ("**Tier 3 Notes**"), as specified in the applicable Final Terms and in accordance with such other terms and conditions specified therein replacing or modifying the MTN Conditions issued by FB(N) for the purpose of such Series or Tranche of Notes. The Tier 1 Notes, the Upper Tier 2 Notes, the Lower Tier 2 Notes and the Tier 3 Notes respectively rank *pari passu* among themselves. The Tier 1 Notes are subordinated to any Tier 2 Notes and Tier 3 Notes. The Upper Tier 2 Notes are subordinated to the Lower Tier 2 Notes. The Tier 2 Notes are subordinated to the Tier 3 Notes.

## RISK FACTORS

*An investment in Notes involves certain risks including those described below. Prospective investors should carefully consider the matters and information set forth below regarding the factors that may affect the ability of FB(N) to fulfil its obligations under the Notes. In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below. 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. If any of the following risks actually occurs, the trading price of the Notes could decline and an investor could lose all or part of its investment. Additional risks not currently known to FB(N) or risks that FB(N) presently deems immaterial may subsequently harm FB(N) and affect an investor's investment.*

*The Issuer believes that the factors described below represent the material risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

*The purchase of certain Notes may be suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Prospective investors should make such inquiries as they deem necessary without relying on FB(N) or any Dealer and before making an investment decision with respect to any Notes, 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 Notes and consider such an investment decision in the light of the prospective investor's personal circumstances.*

*Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.*

### **Risks relating to FB(N)**

#### ***As part of the financial services industry, FB(N) faces substantial competitive pressures which could adversely affect the results of operations***

There is substantial competition in the Benelux region and the other regions in which FB(N) carries on business for the types of banking and other products and services FB(N) provides.

Such competition is most pronounced in the Dutch market where FB(N) faces competition from companies such as ING Group and Rabobank. As a result, FB(N)'s strategy is to maintain customer loyalty and retention, which can be influenced by a number of factors, including service levels, the prices and attributes of products and services, financial strength and actions taken by competitors. If FB(N) is unable to compete with attractive product and service offerings that are profitable, FB(N) may lose market share or incur losses on some or all of FB(N)'s activities. Competition in the financial services industry is affected by a high level of consolidation, both at a national and an international level, in the markets in which FB(N) operates, as well as by the emergence of alternative distribution channels for many of the products FB(N) offers. Consumer demand, technological changes, regulatory actions and other factors also affect competition in FB(N)'s industry. In other international markets, FB(N) faces competition from the leading domestic and international institutions active in the relevant national and international markets. Competitive pressures could result in increased pricing pressures on a number of FB(N)'s products and services, particularly as competitors seek to win market share, and may harm FB(N)'s ability to maintain or increase profitability.

#### ***Market conditions and volatility can adversely affect FB(N)'s results***

Each of FB(N)'s business segments is affected by changing general market conditions, which can cause FB(N)'s results to fluctuate from year to year, as well as on a long-term basis. These conditions include economic cycles, financial market cycles, including volatile movements in market prices for securities, and as a result of changing market conditions, and the influence of financial and industry cycles, FB(N)'s results of operations are subject to volatility that may be outside FB(N)'s control.

Since July 2007, market conditions have been significantly more volatile than in previous periods and there can be no assurance as to the effect of this volatility, particularly if it is prolonged, on the profits of most of FB(N)'s merchant banking, securities trading and brokerage activities before taxation.

As has been well publicized recently, credit markets and subprime residential mortgage markets, particularly in the U.S. but also worldwide, have experienced severe dislocations and liquidity disruptions. Subprime mortgage loans have experienced increased rates of delinquency, foreclosure and impairments since 2007. These and other related events have had a significant impact on the capital markets associated not only with subprime mortgage backed securities, asset backed securities and collateralized debt obligations, but also with credit and financial markets as a whole. These events have also adversely affected other market participants, resulting in a risk of ratings downgrades. If the other market participants' credit ratings weaken, the weaker credit

of such entities may affect the values of hedges and other transactions with them as counterparties and result in write downs of the values of the assets represented by such instruments. As a result, financial institutions worldwide, including FB(N), have been operating, and continue to operate, in a difficult environment characterized by a decrease of the value of financial assets, liquidity constraints and increased short-term funding costs. If such circumstances were further to deteriorate or continue for protracted periods of time, this could have a negative impact on the results of FB(N)'s banking business and FB(N)'s profitability as a whole.

#### ***Securities market volatility or downturns can adversely affect FB(N)'s banking activities***

Market volatility and overall declines in market indices can negatively affect FB(N)'s merchant banking, securities trading and brokerage activities. Volatility and declines in market indices can reduce unrealized gains in FB(N)'s various portfolios or the demand for some of FB(N)'s banking products.

Since 2003, financial markets, and equity markets in particular, have recovered and improved significantly, particularly in 2005, which improvement had a material positive effect on several of FB(N)'s businesses. Since July 2007, however, both the credit and the equity markets have been very volatile. There is no assurance that such volatility will not result in a prolonged market decline, or such market declines for other reasons will not occur in the future. Such market declines, if they did occur, could have a material adverse effect on FB(N)'s financial condition and results of operations. Market downturns and high volatility can occur not only as a result of purely economic factors, but also as a result of war, acts of terrorism, natural disasters or other similar events outside FB(N)'s control.

#### ***Volatility in interest rates may adversely affect FB(N)'s banking businesses***

Fluctuations in interest rates affect the returns FB(N) earns on floating interest investments. Interest rate changes also affect the market values of, and the amounts of capital gains or losses FB(N) takes on, the floating interest securities FB(N) holds. These fluctuations and changes affect FB(N) net interest income and recognized gains and losses on securities held in FB(N)'s investment portfolios.

The results of FB(N)'s banking operations are affected by FB(N)'s management of interest rate sensitivity. Interest rate sensitivity refers to the relationship between changes in market interest rates and changes in net interest income. The composition of FB(N)'s banking assets and liabilities, and any gap position resulting from the composition, causes FB(N)'s banking operations' net interest income to vary with changes in interest rates. In addition, variations in interest rate sensitivity may exist within the repricing periods or between the different currencies in which FB(N) holds interest rate positions. A mismatch of interest may, in the event of changes in interest rates, have a material effect on the financial condition or results of operations of FB(N)'s banking businesses.

#### ***FB(N)'s business is exposed to liquidity risks***

Liquidity risk is inherent in much of FB(N)'s business. Each asset purchased and liability sold has liquidity characteristics that are unique. Some liabilities are surrenderable while some assets, such as privately placed loans, mortgage loans, real estate and limited partnership interests, have low liquidity. Additionally, protracted market declines can reduce the liquidity of markets that are typically liquid. If, in the course of FB(N)'s banking activities, FB(N) requires significant amounts of cash on short notice in excess of anticipated cash requirements, FB(N) may have difficulty selling these assets at attractive prices, in a timely manner, or both. Any downgrade in FB(N)'s ratings may increase FB(N)'s borrowing costs, limit FB(N)'s access to capital markets and adversely affect FB(N)'s ability to sell or market FB(N)'s products, engage in business transactions – particularly longer term and derivatives transactions – and retain FB(N)'s current customers. This, in turn, could reduce FB(N)'s liquidity and have an adverse effect on FB(N)'s operating results and financial condition.

#### ***FB(N)'s risk management methods may leave FB(N) exposed to unidentified, unanticipated or incorrectly quantified risks, which could lead to material losses or material increases in liabilities***

FB(N) devotes significant resources to developing risk management policies, procedures and assessment methods for FB(N)'s banking businesses. FB(N) uses a value-at-risk (VaR) model, duration analysis and sensitivity analysis as well as other risk assessment methods. Nonetheless, FB(N)'s risk management techniques and strategies may not be fully effective in mitigating FB(N)'s risk exposure in all economic market environments or against all types of risk, including risks that FB(N) fails to identify or anticipate. Some of FB(N)'s qualitative tools and metrics for managing risk are based upon use of observed historical market behaviour. FB(N) applies statistical and other tools to these observations to arrive at quantifications of risk exposures. These tools and metrics may fail to predict future risk exposures. FB(N)'s losses thus could be significantly greater than FB(N)'s measures would indicate. In addition, FB(N)'s quantified modeling does not take all risks into account. FB(N)'s more qualitative approach to managing risks takes into account a broader set of risks, but is less precise than quantified modeling and could prove insufficient. Unanticipated or incorrectly quantified risk exposures could result in material losses in FB(N)'s banking businesses.

#### ***While FB(N) manages its operational risks, these risks remain an inherent part of all of its businesses***

The operational risks that FB(N)'s business face include the possibility of inadequate or failed internal or external processes or systems, human error, regulatory breaches, employee misconduct or external events such

as fraud. These events can potentially result in financial loss as well as harm to FB(N)'s reputation. Additionally, the loss of key personnel could adversely affect FB(N)'s operations and results. FB(N)'s business inherently generates operational risks. These businesses are dependent on processing a large number of complex transactions across numerous and diverse products, and is subject to a number of different legal and regulatory regimes. Additionally, because of the long-term nature of much of these businesses, accurate records have to be maintained for significant periods. FB(N) attempts to keep operational risks at appropriate levels by maintaining a sound and well controlled environment in light of the characteristics of FB(N)'s business, the markets and the regulatory environments in which FB(N) operates. While these control measures mitigate operational risks they do not eliminate them.

***FB(N) has significant counterparty risk exposure and exposure to systemic risks***

FB(N)'s business are subject to general credit risks, including credit risks of borrowers and other counter parties. Third parties that owe FB(N) money, securities or other assets may not pay or perform under their obligations. These parties include borrowers under loans made, the issuers whose securities FB(N) holds, customers, trading counterparties, counterparties under swaps and credit and other derivative contracts, clearing agents, exchanges, clearing houses and other financial intermediaries. These parties may default on their obligations to FB(N) due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure or other reasons. In addition, in the past, the general credit environment has been adversely affected by significant instances of fraud. Concerns about, or a default by, one institution could lead to significant liquidity problems, losses or defaults by other institutions because the commercial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. This risk is sometimes referred to as “**systemic risk**” and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom FB(N) interacts on a daily basis, and could have an adverse effect on FB(N)'s business.

***Catastrophic events, terrorist attacks and other acts of war could have a negative impact on FB(N)'s business and results***

Catastrophic events, terrorist attacks, other acts of war or hostility, and responses to those acts may create economic and political uncertainties, which could have a negative impact on economic conditions in the regions in which FB(N) operates and, more specifically, on FB(N)'s business and results in ways that cannot be predicted.

***FB(N)'s results of operations can be adversely affected by significant adverse regulatory developments, including changes in tax laws***

FB(N) conducts its businesses subject to ongoing regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies and interpretations in the European Union and the other regions in which FB(N) does business. The timing and form of future changes in regulation are unpredictable and beyond FB(N)'s control, and changes made could materially adversely affect FB(N)'s business, the products and services FB(N) offers or the value of its assets or extent of its liabilities. Any changes in the tax laws of jurisdictions in which FB(N) operates which affect its products, could have a material adverse effect on its insurance or other businesses and results of operations and financial condition.

***FB(N)'s business is sensitive to changes in governmental policies and international economic conditions that could limit its operating flexibility and reduce its profitability***

FB(N)'s business and results of operations may be materially affected by market fluctuations and by economic factors, including governmental, political and economic developments relating to inflation, interest rates, taxation, currency fluctuations, trade regulations, social or political instability, diplomatic relations, international conflicts and other factors that could limit its operating flexibility and reduce FB(N)'s profitability. In addition, results of operations in the past have been, and in the future may continue to be, materially affected by many factors of a global nature, including: political, economic and market conditions; the availability and cost of capital; the level and volatility of equity prices, commodity prices and interest rates; currency values and other market indices; technological changes and events; the availability and cost of credit; inflation; and investor sentiment and confidence in the financial markets. In addition, there has been a heightened level of legislative, legal and regulatory developments related to the financial services industry in the European Union, the United States and elsewhere that potentially could increase costs, thereby affecting FB(N)'s future results of operations. Such factors may also have an impact on FB(N)'s ability to achieve its strategic objectives on a global basis. In addition, there is continuing political and regulatory scrutiny of the operations of the retail banking and consumer credit industries in The Netherlands and elsewhere. The nature and impact of future changes in policies and regulatory action are not predictable and are beyond FB(N)'s control but could have an adverse impact on FB(N)'s businesses and earnings. In the European Union, these regulatory actions included an inquiry into retail banking in all of the Member States by the European Commission's Directorate General for Competition. The inquiry examined retail banking in Europe generally. On 31 January 2007, the European Commission announced that barriers to competition in certain areas of retail banking, payment cards and payment systems in the European Union had been identified. The European Commission indicated that it will use its powers to address these barriers and will encourage national competition authorities to enforce European and national competition laws where appropriate. Any action taken by the European Commission and national competition authorities could have an adverse impact

on FB(N)'s payment cards and payment systems businesses and on its retail banking activities in the European Union countries in which it operates.

***FB(N)'s businesses have a dominant concentration in The Netherlands***

FB(N)'s businesses have a dominant concentration in The Netherlands and therefore are particularly exposed to the economic conditions in The Netherlands. Any deterioration or merely a long-term persistence of the difficult economic environment in The Netherlands could have a negative effect on FB(N)'s operating results and financial condition.

***FB(N) distanglement from the Fortis group may adversely affect FB(N)'s operations***

Before the separation from the Fortis group, FB(N) almost completely depended on Fortis Bank SA/NV for risk management, funding and liquidity. Also, business lines were abruptly split up, along with client portfolios and profit and loss accounts. FB(N) is in the process of reorganising itself as an independent stand-alone bank. To this effect, FB(N) and Fortis Bank SA/NV have established a separation governance model to ensure a swift and secure split-up of the banking activities. The separation process is expected to be finalised by the end of September 2010. Failure or delay in the implementation of the split-up may adversely affect the independent operation of FB(N) and may therefore adversely affect FB(N)'s results and financial condition.

***FB(N) operates under the supervision of several regulators in various jurisdictions which may impose restrictions and conditions***

DNB and other regulators in various jurisdictions may impose (further) restrictions and conditions to FB(N). Some of these restrictions may adversely affect FB(N)'s operating results and financial condition.

***Litigation or other proceedings or actions may adversely affect FB(N)s' business, financial condition and results of operations***

FB(N)'s business is subject to the risk of litigation by customers, employees, shareholders or others through private actions, class actions, administrative proceedings, regulatory actions or other litigation. The outcome of litigation or similar proceedings or actions is difficult to assess or quantify.

Plaintiffs in these types of actions may seek recovery of large or indeterminate amounts or other remedies that may affect FB(N)'s ability to conduct business, and the magnitude of the potential loss relating to such actions may remain unknown for substantial periods of time. The cost to defend future actions may be significant. There may also be adverse publicity associated with litigation that could decrease customer acceptance of FB(N)'s services, regardless of whether the allegations are valid or whether Fortis is ultimately found liable. As a result, litigation may adversely affect FB(N)'s business.

***Integration FB(N) with ABN AMRO***

On 21 November 2008, the Dutch State announced its intention to integrate FB(N) with the part of ABN AMRO Bank N.V. that has been allocated to the Dutch State. The integration of FB(N) with the relevant part of ABN AMRO Bank N.V. is subject to the satisfaction of the EC Remedy.

The integration process could be delayed due to delays regarding legal merger or demerger in the structuring or delays in approval or additional terms and conditions of supervisory and regulatory bodies. Failure or delay of aforementioned integration may adversely affect the stand alone operation of FB(N) and may therefore adversely affect FB(N)'s results and financial condition.

***Reputational Risk***

Reputational risk exists in many forms in all FB(N)'s activities. Examples are the quality and transparency of products sold to clients. The conduct of employees can also result in a reputational risk. Strict compliance procedures are in place to minimize this risk, as well as decision-making procedures for new activities and products.

In addition FB(N)'s reputation could also be harmed as a result of negative publicity regarding the Fortis group and Fortis brand name. This may adversely affect FB(N)'s operating results and financial condition.

***Risks Relating to the Notes Generally***

The Notes to be issued under the Programme will entail particular risks. The Notes are investment instruments which may or may not bear interest and which at maturity or earlier in case of early termination pay the final redemption amount or the early redemption amount (except in the case of physically settled notes) which may or may not be equal to the nominal amount of the relevant Note.

In the case of physically settled Notes, FB(N) or the Noteholder may have the option at maturity or at an earlier date to exchange the Notes for the Share Amount, depending upon the terms of such physically settled Notes.

Notes which are not principal protected may result in the holder thereof losing some or, in certain limited cases, all of such holder's initial investment.

Notes issued under the Programme may be structured such that principal, interest and/or premium, if any, payable on such Notes are determined by reference to the value or level of various underlying factors or a combination thereof, including, but not limited to, a single share, a basket of shares, an index, a basket of indices, one or more currencies (including exchange rates or swap indices between currencies or composite currencies), commodities, interest rates, the value of the credit of underlying reference entity, reference entities, reference obligation(s), underlying obligation(s), units, shares or interests in a single fund or basket of funds, commodity, inflation index, formulae or other variables (the "**Underlying**"). Notes where the principal amount, interest amount and/or premium payable (if any) is dependent upon the performance of the Underlying may result in the Holder receiving no or only a limited return on his investment.

The price at which a Holder of Notes will be able to sell Notes prior to their redemption may be at a substantial discount to the market value of the Notes at the issue date depending upon the performance of the Underlying at the time of sale.

### ***The value of the Notes may fluctuate***

The value of the Notes may move up and down between their date of purchase and their maturity date. Holders of the Notes may sustain a total loss of their investment depending on the factors stated below (subject to any principal protection provided for under the terms of the relevant Notes, if applicable). Prospective purchasers should therefore ensure that they understand fully the nature of the Notes before they invest in the Notes.

Several factors, many of which are beyond the Issuer's control, will influence the value of the Notes at any time, including (but not limited to) the following:

- (a) **General economic conditions.** The market for debt securities is influenced by economic and market conditions, interest rates, currency exchange rates and inflation rates in Europe and other countries and areas. There can be no assurance that events occurring elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.
- (b) **Valuation of the Underlying.** Where the Notes are linked to the performance of an Underlying, the market value of the Notes at any time is expected to be affected primarily by changes in the price, value, level or rate (as the case may be) of the Underlying to which such Notes are linked. It is impossible to predict how the price, value, level or rate (as the case may be) of the relevant Underlying will vary over time. Factors that may have an effect on the price, value, level or rate (as the case may be) of the Underlying include, in the case of a share or share index, the rate of return of the Underlying and the financial position and prospects of the issuer of the Underlying or any component thereof. In addition, the price, value, level or rate (as the case may be) of the Underlying may depend on a number of interrelated factors, including economic, financial and political events and, in the case of a share or share index, their effect on the capital markets generally and on the relevant stock exchanges in particular. Potential investors should also note that whilst the market value of the Notes is linked to the changes in the price, value, level or rate (as the case may be) of the Underlying and will be influenced (positively or negatively) by such changes, any change may not be comparable and may be disproportionate. It is possible that while the price, value, level or rate (as the case may be) of the Underlying is increasing, the value of the Notes may fall.
- (c) **Interest Rates.** Investors in Notes are exposed to the risk that subsequent changes in interest rates may adversely affect the value of the Notes. Investments in the Notes may involve interest rate risk with respect to the currency of denomination of the Underlying and/or the Notes. A variety of factors influences interest rates such as macro-economic, governmental, speculative and market sentiment factors. Such fluctuations may have an impact on the value of the Notes at any time prior to valuation of the Underlying relating to the Notes.
- (d) **Volatility of the Underlying.** The term "*volatility*" of an Underlying refers to the actual and anticipated frequency and magnitude of changes of the price, value, level or rate (as the case may be) of an Underlying. Volatility is affected by a number of factors such as macro economic factors, speculative trading and supply and demand in the options, futures and other derivatives markets. Volatility of an Underlying will move up and down over time (sometimes more sharply than others) and different Underlyings will most likely have separate volatilities at any particular time. Where Notes are linked to an Underlying, the volatility of the Underlying(s) may have an effect on the volatility of the Notes.
- (e) **Exchange Rates.** Even where payments in respect of the Notes are not expressly linked to a rate or rates of exchange between currencies, the value of the Notes could, in certain circumstances, be affected by such factors as fluctuations in the rates of exchange between any currency in which any payment in respect of the Notes is to be made and any currency in which the Underlying is traded, appreciation or depreciation of any such currencies and any existing or future governmental or other restrictions on the exchangeability of such currencies. There can be no assurance that rates of exchange between any

relevant currencies which are current rates at the date of issue of any Notes will be representative of the relevant rates of exchange used in computing the value of the relevant Notes at any time thereafter.

- (f) **Disruption.** If so provided in the applicable terms, the Calculation Agent may determine that a Market Disruption Event has occurred or exists at a relevant time. Any such determination may affect the value of the Notes and/or may delay settlement in respect of the Notes. In addition, if so provided in the applicable terms, the Calculation Agent may determine that a Settlement Disruption Event has occurred or exists at any relevant time in relation to a physically settled Note. Any such determination may cause a delay in delivery of the Underlying and, in the event that a Disruption Cash Settlement Price is paid in lieu of delivery of the Underlying, the cash price paid may be adversely affected. Prospective purchasers should review the applicable terms (including the Final Terms) to ascertain whether and how such provisions apply to the Notes.

#### ***There is no active trading market for the Notes***

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is no active trading market at the time of issue (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of FB(N). Although application has been made for the Notes issued under the Programme to be admitted to listing on the official list and to trading on Euronext Amsterdam by NYSE Euronext and/or on the regulated market of the Luxembourg Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes. A decrease in the liquidity of an issue of Notes may cause, in turn, an increase in the volatility associated with the price of such issue of Notes. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Any investor in the Notes must be prepared to hold such Notes for an indefinite period of time or until redemption of the Notes. If any person begins making a market for the Notes, it is under no obligation to continue to do so and may stop making a market at any time. Illiquidity may have a severely adverse effect on the market value of Notes.

#### ***Purchasing the Notes as a hedge may not be effective***

Any person intending to use the Notes as a hedge instrument should recognise the correlation risk. The Notes may not be a perfect hedge to an Underlying or portfolio of which the Underlying forms a part. In addition, it may not be possible to liquidate the Notes at a level which directly reflects the price of the Underlying or portfolio of which the Underlying forms a part.

#### ***Potential Conflicts of Interest***

Potential conflicts of interest may exist between the Issuer, the Dealer, the Delivery Agent, the Calculation Agent and the Noteholders, including (but not limited to) with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Conditions that may influence any interest amount due on, and for the amount receivable upon redemption of, the Notes.

The Issuer and its affiliates (including, if applicable, any Dealer) may engage in trading activities (including hedging activities) related to any Notes, any Underlying and any other instruments or derivative products for their proprietary accounts or for other accounts under their management. The Issuer and its affiliates (including, if applicable, any Dealer) may also issue other derivative instruments in respect of or related to any Notes or any Underlying. The Issuer and its affiliates (including, if applicable, any Dealer) may also act as underwriter in connection with future offerings of shares or other securities related to an issue of Notes or may act as financial adviser to certain companies or companies whose shares are included in the Underlying or in a commercial banking capacity for such companies. The Issuer and its affiliates (including, if applicable, any Dealer) may carry out activities that minimise its and/or their risks related to the Notes, including effecting transactions for their own account or for the account of their customers and hold long or short positions in the Underlying whether for risk reduction purposes or otherwise. In connection with such hedging or market making activities or with respect to proprietary or other trading activities by the Issuer and its affiliates, the Issuer and its affiliates may enter into transactions in the Underlying which may affect the market price, liquidity or value of the Underlying and/or the Notes and which could be deemed to be adverse to the interests of the holders of the Notes. The Issuer and its affiliates are likely to modify their hedging positions throughout the life of the Notes whether by effecting transactions in the Underlying or in derivatives linked to the Underlying. Further, it is possible that the advisory services that the Issuer and its affiliates provide in the ordinary course of their business could have an adverse effect on the value of the Underlying. Such activities could present certain conflicts of interest, could influence the prices of the Underlying or other securities and could adversely affect the value of the Notes.



### ***Actions taken by the Calculation Agent may affect the Notes***

The Calculation Agent is the agent of the Issuer and not the agent of the Noteholders. The Issuer may itself act as the Calculation Agent. The Calculation Agent will have discretion to make such adjustments to the Notes as it considers appropriate in certain circumstances (as set out in the Conditions or the applicable Final Terms) including, but not limited to, certain corporate actions in respect of shares where the Underlying comprises Shares. In making these adjustments the Calculation Agent is entitled to exercise substantial discretion and may be subject to conflicts of interest in exercising this discretion. The Calculation Agent is not required to make adjustments with respect to each and every corporate action or other event or circumstance entitling it to make an adjustment.

### ***Holders have no ownership interest in the Underlying***

The Notes convey no interest in the Underlying. The Issuer may choose not to hold the Underlying or any derivative contracts or other instruments linked to the Underlying. Under the Conditions, there is no restriction on the ability of the Issuer and/or its affiliates to sell, pledge or otherwise convey all right, title and interest in any Underlying or any derivative contracts or other instruments linked to the Underlying.

### ***The Notes may be redeemed prior to maturity***

Unless in the case of any particular Tranche of Medium Term Notes the applicable Final Terms specify otherwise, in the event that FB(N) would be obliged to increase the amounts payable in respect of any Medium Term Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of The Netherlands or any political subdivision thereof or any authority therein or thereof having power to tax, or, in case of Index-Linked Notes, Equity-Linked Notes, Fund-Linked Notes, Credit-Linked Notes, Commodity-Linked Notes or Inflation-Linked Notes, in the case of Subordinated Notes subject to the prior consent of the Dutch Central Bank (*De Nederlandsche Bank N.V.*), if FB(N) determines that the performance by FB(N) of its obligations under the Notes has become unlawful under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, FB(N) may redeem all outstanding Medium Term Notes in accordance with the Conditions.

An optional redemption feature in any Notes may negatively impact their market value. During any period when FB(N) may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. An investor in such Notes may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Notes so redeemed.

In addition, if in the case of any particular Tranche of Notes the applicable Final Terms specify that the Notes are redeemable at FB(N)'s option in certain other circumstances FB(N) may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

### ***Risks associated with Notes held in global form***

Bearer Notes and Registered Notes will be held by or on behalf of one or more clearing systems specified in the applicable Final Terms (each a "**Relevant Clearing System**"), either in the form of a Global Note or Global Certificate which, only if so specified in the applicable Final Terms, will be exchangeable for Definitive Notes or Individual Certificates in accordance with the terms set out in the Global Notes or Global Certificates. For so long as any Notes are held by or on behalf of a Relevant Clearing System, payments of principal, interest and any other amounts will be made through the Relevant Clearing System, where required, against presentation or surrender (as the case may be) of the relevant Global Note or Global Certificate and, in the case of a Temporary Global Note, certification as to non-U.S. beneficial ownership. The risk is that the bearer of the relevant Global Note or the registered holder of the relevant Global Certificate, typically a depositary for the Relevant Clearing System, and not the holders of only a beneficial interest in the Global Note or Global Certificate, shall be treated by FB(N) and any Paying Agent as the sole holder of the relevant Notes with respect to the payment of principal, interest (if any) and any other amounts payable in respect of the Notes or any securities deliverable in respect of the Notes. Notes which are held by or on behalf of a Relevant Clearing System will be transferable only in accordance with the rules and procedures for the time being of the Relevant Clearing System.

Holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the Relevant Clearing System to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes or Global Certificates will only have a direct right under the Global Notes or Global Certificates to take enforcement action against FB(N) in the event of a default as described therein.

### ***Taxation***

Potential investors of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing Notes and receiving payments of interest, principal and/or other amounts or delivery of securities under the Notes and the consequences of such actions under the tax laws of

those countries (see "*Terms and Conditions of the Notes – Taxation*", and Chapter "*Taxation – EU Savings Directive*").

### **Credit Rating**

The credit rating of a Tranche of Notes (if any) will be provided in the applicable Final Terms. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings described herein. A security rating is not a recommendation to buy, sell or hold securities, and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

### **Settlement Risk**

Settlement of the Notes is subject to all applicable laws, regulations and practices in force at the relevant time and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated as a result of any such laws, regulations or practices. Neither the Issuer nor any Agent shall under any circumstances be liable for any acts or defaults of any clearing system in relation to the performance of its duties in relation to the Notes.

### **Risk associated with nominee arrangements**

Where a nominee service provider is used by an investor to hold Notes or such investor holds interests in any Note through accounts with a Relevant Clearing System, such investor will receive payments in respect of principal, interest, or any other amounts due, or securities deliverable, as applicable, solely on the basis of the arrangements entered into by the investor with the relevant nominee service provider or Relevant Clearing System, as the case may be. Furthermore, such investor must rely on the relevant nominee service provider or Relevant Clearing System to distribute all payments or securities attributable to the relevant Notes which are received from the Issuer. Accordingly, such an investor will be exposed to the credit risk of, and default risk in respect of, the relevant nominee service provider or Relevant Clearing System, as well as the Issuer.

In addition, such a Holder will only be able to sell any Notes held by it prior to their stated maturity date with the assistance of the relevant nominee service provider. None of the Issuer or any Paying Agent shall be responsible for the acts or omissions of any relevant nominee service provider or Relevant Clearing System nor makes any representation or warranty, express or implied, as to the service provided by any relevant nominee service provider or Relevant Clearing System.

### **Modification, waivers and substitution**

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

The Conditions also provide that (i) the Issuer may, with the consent of the Agent but without the consent of Holders of the Notes, amend the Conditions to correct a manifest error and (ii) the Issuer may substitute for itself any other body corporate as the debtor in respect of the Notes in accordance with the conditions set out in MTN Condition 16 (*Substitution of the Issuer*) and Capital Securities Condition 17 (*Waiver and Remedies*).

### **Stub Amount**

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of EUR 50,000 (or its equivalent) that are not integral multiples of EUR 50,000 (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination 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.

### **The return on an investment in Notes will be affected by charges incurred by investors**

An investor's total return on an investment in any Notes will be affected by the level of fees charged by the nominee service provider and/or Relevant Clearing System used by the investor. Such a person or institution may charge fees for the opening and operation of an investment account, transfers of Notes, custody services and on payments of interest, principal and other amounts or delivery of securities. Potential investors are therefore advised to investigate the basis on which any such fees will be charged on the relevant Notes.

### **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 (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions

should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

### ***Change of law***

The Conditions are based on Dutch 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 Dutch law or administrative practice after the date of this Base Prospectus.

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

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

#### ***Structured Notes in general***

An investment in Notes, the payment of principal, interest and/or premium of which is determined by reference to one or more Underlyings (either directly or indirectly) and has certain structural features or combination of structural features ("**Structured Notes**"), may entail significant risks not associated with similar investments in a conventional debt security or a direct investment in the Underlying, including the risks that the resulting rate of return will be less than that on a conventional debt security or the Underlying and/or that an investor may lose the value of its entire investment or part of it, as the case may be. Neither the current nor the historical value of the relevant Underlying should be taken as an indication of future performance of such Underlying during the term of any Note.

The Underlying(s) and/or the composition thereof, method of calculation (if applicable) or other factors of the Underlying(s) may change in the future. There is no assurance that issuers, sponsors, licensors of the Underlying(s) or any other third party (as the case may be) who have an influence on the Underlying(s) will not change the composition thereof, method of calculation or other factors of the Underlying(s). Any such change to the Underlying(s) may be beyond the control of the Issuer and may adversely affect the value of the Notes.

If the formula used to determine the amount of principal, interest and/or premium, if any, and/or securities deliverable (if applicable) with respect to such Notes contains a multiplier or leverage factor, the effect of any change in the Underlying(s) will be magnified. In recent years, values of certain Underlying(s) have been highly volatile; such volatility in the past is not necessarily indicative, however, of fluctuations that may occur in the future.

#### ***Risks related to Notes redeemed by physical delivery***

If the Notes are, at the option of the Issuer, either physically settled by delivery of shares or other securities or cash settled, then there will be a time lag, if the Issuer chooses to physically settle the Notes, following exercise by the Issuer of its option until such shares or securities are delivered to the relevant Noteholder's account. Any such delay between the time of exercise by the Issuer of its option and the delivery of the Share Amount will be specified in the Conditions. However, such delay could be significantly longer if the Calculation Agent determines that a Settlement Disruption Event has occurred at the relevant time. Such additional delay could adversely affect the Share Amount.

If a Noteholder does not provide the Issuer through the Delivery Agent with sufficient instructions in a timely manner to enable the Issuer through the Delivery Agent to effect any required delivery of shares or other securities, the due date for such delivery shall be postponed accordingly, which may result in a delay in delivery of the applicable Share Amount.

In the event of the delivery of shares and/or securities upon redemption of their Notes (as specified in the applicable Final Terms), Noteholders shall be required to make certain notifications and take other actions as set out in the Conditions. The failure to deliver any certifications required by the Conditions could result in the loss or inability to receive amounts or deliveries otherwise due under the Notes. Prospective purchasers should review the Conditions to ascertain whether and how such provisions apply to the Notes. Delivery of shares and/or securities is subject to all applicable laws, regulations and practices and the Issuer shall not incur any liability whatsoever if it is unable to deliver or procure the delivery of such shares and/or securities to the relevant Noteholder because of any such laws, regulations or practices.

Each Noteholder should be aware that if their Notes may be redeemed by physical delivery of shares and/or securities and/or other financial instruments (as specified in the applicable Final Terms), it shall be deemed at the time of purchase to acknowledge its understanding and acceptance of this matter and to have made its own examination and assessment of its capacity and power to receive shares and/or securities and/or other financial instruments and not to have relied on any representation of the Issuer, any Agent or the relevant Dealer regarding this matter. In particular, the Issuer and any of its Agents shall not be in any way responsible for checking the capacity and power of any Noteholder to have its Notes redeemed by delivery of shares and/or securities and/or other financial instruments (even if it has notice of any other facts and circumstances), and the relevant Noteholder shall bear full responsibility for any consequences that may arise from the delivery to it of shares and/or securities

and/or other financial instruments or, as the case may be, non-delivery as a consequence of the Noteholder not having the required capacity and power to receive delivery of such shares and/or securities.

### ***Inverse Floating Rate Notes***

Investments in Notes which bear interest at an inverse floating rate comprise (i) a fixed base rate minus (ii) a reference rate ("**Inverse Floating Rate Notes**"). Investors should note that any increase in the value or level of the Underlying will not lead to a corresponding increase in the principal, interest and/or premium payable on the Notes and consequently the value of the Notes. Any increase in the value or level of the Underlying will result in a decrease in the principal, interest and/or premium payable on the Notes, and therefore the market value of such Notes. The market value of such Notes is usually more volatile than the market value of floating rate Notes 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 may further reduce the market value of these Notes.

### ***Noteholders will not be able to calculate in advance their rate of return on Floating Rate Notes***

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the Terms and Conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing. In addition, the Issuer's ability to issue Fixed Rate Notes may affect the market value and secondary market (if any) of the Floating Rate Notes (and vice versa).

### ***The Notes may be subordinated to most of FB(N)'s liabilities***

If in the case of any particular Tranche of Notes the applicable Final Terms specify that the Notes are subordinated obligations of FB(N), in the event of bankruptcy, winding-up, dissolution or liquidation of FB(N) or if FB(N) is in a situation which requires Emergency Regulations (as defined below), it will be required to pay the holders of senior debt and meet its obligations to all its other creditors (including unsecured creditors but excluding any obligations in respect of subordinated debt ranking *pari passu* with or junior to the relevant Notes) in full before it can make any payments on the relevant Notes. If this occurs, FB(N) may not have enough assets remaining after these payments to pay amounts due under the relevant Notes.

### ***Partly-paid Notes***

FB(N) 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 Coupon Amount Notes with a multiplier or other leverage factor***

The Issuer may issue Notes where the redemption amount, interest and/or premium, if any payable on the Notes is linked to changes in one or more rates and/or Underlyings specified in the Final Terms during the period specified therein. Prospective purchasers of the Notes should make their own independent evaluation of the risks associated with an investment in the Notes. The underlying rates to which the Variable Coupon Amount Notes are linked to may be volatile and unpredictable. Investors should be aware that it may be possible that there may be significant changes in such underlying rates and such changes may lead to a decrease in the value of the value of the Notes and the amount of redemption amount, interest and/or premium, if any, payable on the Notes. If Notes are structured to include multipliers or other leverage factors, or caps, floors or collars (or any combination of those features or other similar related features), their market values may be even more volatile than those for securities that do not include those features.

### ***Fixed/Floating Rate Notes***

Fixed/Floating Rate Notes may bear interest at a rate that FB(N) 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 FB(N) may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If FB(N) 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 FB(N) converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

### ***Range Accrual Notes***

The indices, formulae, currency exchange rates, rates or combination thereof used to determine the fixing event (the "**Fixing Event**") and, consequently, the index ratio for Range Accrual Notes (the "**Index Ratio**") may be different from the Reference Rate for such Notes and may therefore fluctuate independently of the Reference Rate for such Notes. This may result in the market value of the Notes falling at a time when the Reference Rate in

respect of an Interest Period is rising. If, during the relevant observation period (the "**Observation Period**"), the Fixing Event occurs only on a small number of days or does not occur at all, the Index Ratio may be very low or, as the case may be, zero and, as a result, the rate of interest payable on the Notes in respect of such Interest Period may be very low, or, as the case may be, zero (save for any minimum amount of interest specified in the applicable Final Terms). This will have a detrimental effect on the market value of the Notes.

Where the Observation Days fall in a different chronological period from the Interest Period, the indices, formulae, currency exchange rates, rates or combination thereof which were used to determine the Index Ratio may be different from those which prevail at the time at which the interest amount is being paid. This may have a detrimental effect on the market value of the Notes. For the avoidance of doubt, the days upon which the Fixing Event is observed could be any subset of days within such Interest Period or any other Interest Period or periods, including, but not limited to, a period of one day only.

If the Index Ratio for more than one Interest Period is determined by reference to a single period or date, the rate of interest payable in respect of all such periods will be exposed to the risk that the Index Ratio so determined is low or zero. The market value of the Notes in these circumstances may be detrimentally affected in a material and significant way.

For example, the rate of interest for each Interest Period for a Range Accrual Note may be calculated by multiplying the Reference Rate by the Index Ratio for one specified Observation Period. If the Index Ratio determined by the Calculation Agent is contingent upon the number of days in the Observation Period on which LIBOR with a designated maturity of 6 months ("**6m LIBOR**") falls within a range of values set out in the applicable Final Terms and during that Observation Period the number of days in which 6m LIBOR is within such range is low (for example, 5 days in an Observation Period of 30 days, giving an Index Ratio equal to 5/30), then the rate of interest payable for each Interest Period in relation to such Note will be calculated by reference to such Index Ratio and any change in 6m LIBOR will not affect the Index Ratio in subsequent Interest Periods. In such circumstances, the rate of interest payable in respect of all Interest Periods and the market value of the Notes will be detrimentally affected in a material and significant way.

#### ***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.

#### ***Zero coupon Notes are subject to higher price fluctuations than non-discounted Notes.***

Changes in market interest rates generally have a substantially stronger impact on the prices of zero coupon Notes than on the prices of ordinary notes because the discounted issue prices are substantially below par. If market interest rates increase, zero coupon Notes can suffer higher price losses than other notes having the same maturity and credit rating.

#### ***Index-Linked Notes***

Index-Linked Notes are debt securities whose redemption amounts, interest payments and/or premium, if any, are linked to the performance of one or more indices, by way of a specified formula or in such other manner as shall be specified in the applicable Final Terms. Such index or indices may contain substantial credit, interest rate or other risks. The amount of principal, interest and/or premium, if any, payable by FB(N) might be substantially less than the issue price or, as the case may be, the purchase price invested by the Noteholder and may even be zero in which case the Noteholder may lose his entire investment.

Index-Linked Notes are not in any way sponsored, endorsed, sold or promoted by the index sponsor or the respective licensor of the index and such index sponsor or licensor makes no warranty or representation whatsoever, express or implied, either as to the results to be obtained from the use of the index and/or the figure at which the index stands at any particular time. Each index is determined, composed and calculated by its respective index sponsor or licensor, without regard to FB(N) or the Notes. None of the index sponsors or licensors is responsible for or has participated in the determination of the timing of, prices at, or quantities of the Notes to be issued or in determination or calculation of the equation by which the Notes settle into cash. None of the index sponsors or licensors has any obligation or liability in connection with the administration, marketing or trading of the Notes. The index sponsor or licensor of an index has no responsibility for any calculation agency adjustment made for the index.

The index itself and the way the index is calculated may change, or the index may be terminated, and there can be no assurance that the index sponsors or licensors will not change the methods by which they calculate the index. In certain circumstances, the actions or omissions of the sponsor of an index to which the Index-Linked Notes are linked and others outside the control of FB(N) and may adversely affect the rights of the Noteholders and/or the value of the Index-Linked Notes, including actions that may give rise to an adjustment to, or early redemption of, the Index-Linked Notes.

None of FB(N), Dealer(s) or any of their affiliates makes any representation as to an index. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to an index that is or may be material in the context of Index-Linked Notes. The issue of Index-Linked Notes will not create any obligation on the part of any such persons to disclose to the Noteholders or any other party such information (whether or not confidential). In some cases, Index-Linked Notes may be linked to an index or indices which have been developed internally by an affiliate of FB(N) ("**Fortis Indices**"). In developing and maintaining such Fortis Indices, the affiliates of FB(N) will be involved in determining any changes to be made to the methodology and calculation of the Fortis Indices, the composition of the Fortis Indices and any other activities related to and affecting the level of the Fortis Indices. Such activities could present certain conflicts of interest and could adversely influence the level of the Fortis Indices, and could consequently adversely affect the value of the Notes.

An investment in Index-Linked Notes is not the same as an investment in the components of the Index and does not confer any legal or beneficial interest in the components of the Index or any voting rights, rights to receive dividends or other rights that a holder of the components of an Index would have.

### ***Dual Currency Notes***

FB(N) may issue Notes with principal, interest and/or premium payable in one or more currencies which may be different from the currency in which the Notes are denominated ("**Dual Currency Notes**"). In addition to the risk factors that may apply to Notes in general, Structured Notes in general and Index-Linked Notes in general, potential investors should be aware that in relation to Dual Currency Notes:

the market price of such Notes may be volatile;

they may receive no interest and/or premium;

payment of principal, interest and/or premium (if applicable) may occur at a different time or in a different currency than expected;

they may lose all or a substantial portion of their principal; and

there may be movements in currency exchange rates which may result in significant fluctuations that may not correlate with changes in interest rates, currencies or related factors.

### ***Inflation-Linked Notes***

Inflation-Linked Notes are Notes whose redemption amount, interest amounts and/or premium, if any, may be linked to the performance of one or more inflation or price indices during a specified period (as set out in the applicable Final Terms). Investment in Inflation-Linked Notes involves risks not associated with an investment in conventional debt securities. In addition to the risk factors that may apply to Notes in general, Structured Notes in general and Index-Linked Notes in general, potential investors should be aware that in relation to Inflation-Linked Notes:

- (a) the payment of principal, interest and/or premium is linked to the change in the level of the relevant inflation or price index. If there is little or no change in inflation, the level of the inflation or price index may not change. If there is deflation, the level of the inflation or price index may decrease; consequently, the payment of principal, interest and/or premium, if any, may be less than expected, may be zero or may be the principal protected amount, if any (as specified in the applicable Final Terms);
- (b) the inflation or price index itself and the way such inflation or price index is calculated may change in the future. There can be no assurance that the sponsor of the relevant inflation or price index will not change the method by which it calculates the index. In addition, changes in the way the inflation or price index is calculated could reduce the level of the index, lower the redemption amount, interest amount and/or premium, if any, payable on the Notes and consequently significantly reduce the value of the Notes. If the relevant inflation or price index is substantially altered or has been terminated and/or a substitute index is employed to calculate the redemption amount, interest amounts and/or premium, if any, payable on the Notes, as described in the applicable Final Terms, that substitution may adversely affect the value of the Notes;
- (c) the historical levels of the relevant inflation or price index are not an indication of future levels of such index. Fluctuations and trends in the inflation or price index that may have occurred in the past are not necessarily indicative of fluctuations or trends that may occur in the future. Noteholders will receive the redemption amount, interest amounts and/or premium, if any, which will be affected by changes in the relevant inflation or price index and such changes may be significant. Changes in the inflation or price index may be a result of various factors over which FB(N) has no control; and

- (d) where an "*adjusted*" inflation or price index is being used in calculating the redemption amount, interest amounts and/or premium, if any, payable on the Notes, there is a risk that the adjustments that have been made by the sponsor of such "*adjusted*" inflation or price index have not been made accurately in reducing the impact of seasonality and trends which affect inflation. Conversely, where a "*non-adjusted*" inflation or price index is being used in calculating the redemption amount, interest amounts and/or premium, if any, payable on the Notes, Noteholders should be aware that such "*non-adjusted*" inflation or price index is subject to the effects of seasonality and trends which affect inflation.

### **Equity-Linked Notes**

The interest amount and/or the redemption amount in relation to Equity-Linked Notes is linked to the performance of a share or of a basket of shares (the "**Underlying Shares**"). An investment in these Notes entails significant risks not associated with a similar investment in fixed or floating rate debt securities. An investment in Equity-Linked Notes may bear similar market risks to a direct equity investment and investors should take advice accordingly. Investors should also note the risk factors relating to Notes in general and the risk factors relating to Structured Notes in general.

Changes in the value of the Underlying Shares cannot be predicted. If so provided in the applicable Final Terms, the Equity-Linked Notes may be subject to early redemption by reference to changes in the value of the Underlying Shares. If Equity-Linked Notes are redeemed prior to maturity, the value may be less than the nominal amount.

No investigation has been made of the financial condition or creditworthiness of any issuer of the Underlying Shares or components thereof in connection with the issue of the Equity-Linked Notes. Prospective investors should obtain and evaluate information concerning the Underlying Shares and each issuer thereof as if they were investing directly in the Underlying Shares. Prospective investors should understand that the historical performance of the Underlying Shares or component thereof should not be viewed as predictive of any future performance.

The value of Equity-Linked Notes prior to maturity is expected to depend on a number of factors including the performance achieved by the Underlying Shares until that time, prevailing market interest rates, macro-economic and micro-economic factors, general market volatility and time to maturity. Such factors interact in complex ways and may result in the price at which a Noteholder will be able to sell its Notes prior to maturity being at a substantial discount from the principal amount outstanding on the Notes.

Investors in the Notes should note that an investment in Equity-Linked Notes is not the same as an investment in the Underlying Shares and does not (prior to settlement of any exchange of Equity-Linked Notes for the Underlying Shares if applicable) confer any legal or beneficial interest in the Underlying Shares, or any voting rights, rights to receive dividends or other rights that a holder of the Underlying Shares would have.

In certain circumstances, the actions or omissions of FB(N) or issuers of Underlying Shares to which the Equity-Linked Notes relate or for which the Equity-Linked Notes are exchangeable may adversely affect the rights of the Noteholders and/or the value of the Notes, including actions which may give rise to an adjustment to, or early redemption of the Notes.

### **Fund-Linked Notes**

The redemption amount or, if applicable, the interest amount in relation to Fund-Linked Notes is linked to the performance of a unit, share or other interest in a fund (each a "**Fund Interest Unit**") or a basket of Fund Interest Units. Such funds may include mutual funds, hedge funds, funds of hedge funds or any other types of fund in any jurisdiction, or any combination of the foregoing. Investments offering direct or indirect exposure to the performance of funds are generally considered to be particularly risky.

An investment in Fund-Linked Notes entails significant risks not associated with a similar investment in fixed or floating rate debt securities. An investment in Fund-Linked Notes may bear similar market risks to a direct investment in funds and investors should take advice accordingly. Investors should also note the risks relating to the Notes in general and the risks relating to Structured Notes in general.

Prospective investors in any Fund-Linked Notes should be aware that depending on the terms of the relevant Fund-Linked Notes (i) they may receive no or only a limited amount of interest, (ii) payment of principal or interest (if applicable) may occur at a different time than expected, (iii) except to the extent that the relevant Fund-Linked Notes are 100 per cent. principal protected at scheduled maturity, they may lose all or a substantial portion of their investment and (iv) even if the Fund-Linked Notes are 100 per cent. principal protected at scheduled maturity, they may still lose all or a substantial portion of their investment if they sell their Fund-Linked Notes prior to the Maturity Date or if the relevant Fund-Linked Notes are redeemed prior to the Maturity Date for any reason, the risk of such loss being increased if the Fund-Linked Notes are redeemed prior to the Maturity Date as a result of the occurrence of a Type 2 Fund Event.

Prospective investors should note that payments on redemption of Fund-Linked Notes at maturity or early redemption may be postponed up to a specified long stop date if FB(N) determines that a hypothetical investor in

the relevant fund units or shares would not, having submitted a notice requesting redemption at the relevant time, have received the redemption proceeds on or prior to the date which is 4 Currency Business Days prior to the scheduled settlement date. In addition, if the specified long stop date is reached, for the purposes of determining the Final Redemption Amount, the Early Redemption Amount or any other redemption amounts, as applicable, the affected fund interest units or shares will be deemed to have a value equal to the redemption proceeds (if any) that a Hypothetical Investor which had submitted a Final Redemption Notice in respect of the relevant Fund Interest Unit would have received in respect of such redemption on or before the Postponed Settlement Long Stop Date, which may be zero.

Prospective investors should also be aware that, depending on the terms of the relevant Fund-Linked Notes, if one or more Fund Events occurs then Fund Interest Replacement (which requires the Calculation Agent to substitute the affected Fund Interest Units with other Fund Interest Units with similar characteristics, unless no successor Fund Interest Units have been identified within a specified period) will apply unless the Calculation Agent determines that Fund Interest Replacement is not appropriate or commercially reasonable in which case Calculation Agent Adjustment (which requires the Calculation Agent to make such adjustments to the terms of the relevant Fund-Linked Notes to account for such Fund Event as it considers appropriate (including, without limitation, to the calculation of and payment dates of amounts due under the Notes)) will apply unless the Calculation Agent determines that no adjustment it could make would produce a reasonable result in which case FB(N) shall redeem the Notes early at their Early Redemption Amount. The effect of a substitution of affected Fund Interest Units with other Fund Interest Units with similar characteristics may have an adverse effect on the return and risk profile of the relevant Fund-Linked Notes, and consequently, the value of such Notes.

In addition, investors should note that if Fund-Linked Notes are redeemed following the occurrence of a Fund Event, the Early Redemption Amount they receive may be considerably less than the principal amount of the Notes and may even be zero. If the Fund-Linked Notes are principal protected (in whole or in part) at scheduled maturity, the Early Redemption Amount will be floored at the net present value of a payment of the protected amount at maturity if the relevant Fund Event is a Type 1 Fund Event. However investors should note that if the relevant Fund Event is a Type 2 Fund Event the Early Redemption Amount they receive may be considerably less than the amount which is principal protected at scheduled maturity and may even be zero.

Consequently potential investors in Fund-Linked Notes should carefully consider the Fund Events in respect of such Fund-Linked Notes and, in particular, if the Fund-Linked Notes are principal protected, the division of the Fund Events between Type 1 Fund Events and Type 2 Fund Events.

Changes in the value of the Fund Interest Units referenced by any Fund-Linked Notes cannot be predicted. In addition, the movements in the value of Fund Interest Units may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant value of the Fund Interest Units 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 value or values of the Fund Interest Units, the greater the effect on yield.

If the amount of principal and/or interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the value of the relevant Fund Interest Units on principal or (if applicable) interest payable will be magnified.

Prospective investors should obtain and evaluate information concerning the relevant Fund Interest Units and the relevant fund(s) as if they were investing directly in those Fund Interest Units. Prospective investors should understand that the historical performance of any Fund Interest Units should not be viewed as predictive of any future performance. Prospective investors should carefully review the prospectus, information memorandum and/or offering circular (if any) issued by any relevant fund or funds before purchasing any Notes and, in particular, the risk factors or risk warnings set out therein.

Prospective investors should also note that simply observing the performance or any trend in the performance of the underlying Fund Interest Units would not provide an accurate indication of the performance of the Notes. The performance of the Fund-Linked Notes may be less than or more than the performance of the underlying Fund Interest Units.

The value of Fund-Linked Notes prior to maturity is expected to depend on a number of factors including the performance achieved by the relevant Fund Interest Units until that time, prevailing market interest rates, macro-economic and micro-economic factors, general market volatility and time to maturity. Such factors interact in complex ways and may result in the price at which a Noteholder will be able to sell its Notes prior to maturity being at a substantial discount from the principal amount outstanding on the Notes. The value of Fund Interest Units may be affected by economic, financial and political events in one or more jurisdictions, including factors affecting the exchange(s) or quotation system(s) (if any) on which any Fund Interest Units may be traded. In addition, the value of Fund Interest Units may be affected by the performance of the relevant fund's service providers (each a "**Service Provider**") including the fund's investment manager(s) and/or adviser(s), administrator and custodian. None of FB(N), the Dealer or any of their respective affiliates makes any representation as to the creditworthiness of any fund or any of its Service Providers.

Investors in Fund-Linked Notes should note that an investment in Fund-Linked Notes is not the same as an investment in the relevant Fund Interest Units and does not confer any legal or beneficial interest in such Fund



Interest Units, or any voting rights, rights to receive dividends or other rights that a holder of such Fund Interest Units would have.

In certain circumstances, the actions or omissions of the fund or funds to which the Fund-Linked Notes relate or any Service Providers may adversely affect the rights of the Noteholders and/or the value of the Notes, including actions which may give rise to an adjustment to, or early redemption of, the Notes.

None of FB(N), the Dealer or any of their respective affiliates is responsible for the lawfulness or suitability of the acquisition of the Fund-Linked Notes by a prospective investor or purchaser of Notes or for compliance by a prospective investor or purchaser of Notes (whether it is acquiring the Notes in a principal or in a fiduciary capacity) with any law, regulation, directive or policy applicable to it or, if it is acquiring the Notes in a fiduciary capacity, the beneficiary. A prospective investor or purchaser of Notes may not rely on FB(N), the Dealer or any of their respective affiliates when making determinations in relation to any of these matters.

There are substantial risks in directly or indirectly investing in funds including, without limitation, the risks set out below. Prospective investors should note that references to funds below can refer both to the funds referenced in any Fund-Linked Notes and also to any funds in which any of those funds invests its assets from time to time.

**(i) Regulatory supervision: mutual funds subject to high level of regulation; hedge funds are largely unregulated**

Mutual funds are generally subject to a high level of regulation and various compliance requirements including, but not limited to, the level of information disclosure, the scope of their investments and the types of assets in which they are allowed to invest. Mutual funds may therefore be subject to the risk that regulation may be amended such that the requirements imposed on the mutual fund may become onerous or impose additional costs which may consequently have an adverse effect on the value of the units of the mutual fund.

Hedge funds are largely unregulated and are not usually subject to the mutual fund requirements to provide certain periodic and standardised pricing and valuation information to their investors. Hedge funds typically have very few restrictions on their investment powers.

**(ii) Lack of transparency and publicly available information**

Hedge funds, unlike more regulated mutual funds registered for distribution to the public, are subject to limited regulatory, disclosure and reporting requirements. Hedge funds might provide no transparency regarding their underlying investments (including sub-funds in a fund of funds structure) and it may therefore not be possible to monitor the specific investments made by the hedge fund or, in a fund of funds structure, to know whether the sub-fund investments are consistent with the hedge fund's investment strategy or risk levels. No, or only a relatively small amount of, publicly available information about hedge funds, their holdings and performance, may be available.

**(iii) Leverage**

Mutual funds generally have upper limits on leverage. Hedge funds, however, may be leveraged and may be very highly leveraged. Hedge funds might not be limited in the extent to which they use various lines of credit and other forms of leverage (for example, swaps, futures, options, repurchase agreements and margin transactions). Leverage presents the potential for a higher rate of return but also increases the volatility of the fund and increases the risk of a total loss of the amount invested.

**(iv) Illiquid investments; Suspension of Subscriptions and Redemptions**

Funds may make investments which have very poor liquidity. For example, a fund may make investments which are difficult or impossible to transfer (as a result of legal restrictions or otherwise) or for which no liquid market exists. Illiquidity of investments could adversely affect a fund's ability to meet redemption requests. Funds generally have a large discretion to suspend subscription for and/or redemption of shares or units therein for many reasons, which may include without limitation a lack of liquidity in its underlying investments. In addition, the more illiquid the investment the more likely a realisation of that investment will be on unfavourable terms, which could in turn have an adverse effect on the value and performance of the fund.

**(v) Effect of Substantial Redemptions**

Substantial redemptions by holders of Fund Interest Units in a fund within a short period of time could require the fund's investment manager(s) and/or adviser(s) to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the fund's assets. The resulting reduction in the fund's assets could make it more difficult to generate a positive rate of return or to recoup losses due to a reduced equity base.

**(vi) Short sales**

Funds might engage in short selling, which involves the sale of a security that it does not own made in the expectation that the price of that security is going to fall and the fund will then be able to cover the sale by

buying the security back at a lower price. This may expose the fund to potentially unlimited risk of an increase in the price of such security, which could therefore result in a potentially unlimited loss.

**(vii) Derivative financial instruments risk**

Due to the potential use of derivative financial instruments and structured products combined with the possibility of borrowing, the assets of a fund might not be enough to cover its commitments.

**(viii) Concentration risk**

A fund's assets and/or investments may be concentrated in a few markets, countries, industries, commodities, sectors of an economy or issuers. If so, adverse movements in a particular market, country, industry, commodity, economy or industry or in the value of the securities of a particular issuer could have a severely negative effect on the value of such a fund. In addition, a fund may use a single advisor or employ a single strategy, which could mean a lack of diversification and higher risk.

**(ix) Investment in securities of issuers in emerging markets**

Some funds may invest in securities of issuers in emerging markets. Emerging markets are at an early stage of development. Such investment involves special risks including currency rate fluctuations, political and economic instability, foreign taxes and different regulatory, auditing and reporting standards. The political, regulatory and economic risks inherent in investments in emerging markets' securities are significant and may differ in kind and degree from the risks presented by investments in the world's major securities markets. These may include greater price volatility, substantially less liquidity and controls on foreign investment and limitations on repatriation of invested capital. Costs relating to investment will also tend to be higher. Variations in interest rates will influence the value of funds investing in bonds and other fixed income securities.

**(x) Role of investment adviser or manager; investment strategies**

Funds will generally have appointed one or more investment manager(s) and/or adviser(s) to pursue its investment strategies and the performance of the fund will depend on the performance of the investments selected by those investment manager(s) and/or adviser(s). Investment manager(s) and/or adviser(s) generally have a large amount of discretion to invest the assets of the fund and there can be no assurance that investment decisions will be successful or profitable.

**(xi) Business Dependent Upon Key Individuals**

All investment decisions with respect to a fund's assets are made by its investment manager(s) and/or adviser(s). Holders of Fund Interest Units in a fund may have no right or power to take part in the management of the fund. As a result, the success of the fund for the foreseeable future will depend largely upon the ability of the investment manager(s) and/or adviser(s). There is no assurance that the strategies employed by the fund will achieve attractive returns or will be successful. Additionally, should the principal decision makers of the investment manager(s) and/or adviser(s) no longer be associated with the investment manager(s) and/or adviser(s), die or become otherwise incapacitated for any period of time, the value or profitability of the fund's investments may suffer.

**(xii) Assets may be held with entities with limited regulatory obligations**

Some funds might appoint a bank, broker, prime broker or derivative counterparty to be responsible for clearing, financing and reporting services with respect to the securities transactions entered into by or on behalf of the fund. In certain cases such banks, brokers, prime brokers or derivative counterparties may not have the same capabilities, size and/or credit rating as a large European bank (and may in some cases have no credit rating at all) and may in some cases have no or limited regulatory obligations. In case of insolvency of any such entity the fund may lose some or all of the investments held or entered into with such entity.

**(xiii) Fee arrangements**

Funds typically have extensive and complex fee structures.

A hedge fund would typically agree to pay a performance or incentive fee in addition to an advisory fee to its investment manager(s) and/or adviser(s). Any such performance or incentive fee may be substantial and, as it is usually linked to the performance of the hedge fund over the relevant period of time, may lead an investment manager and/or adviser to take riskier or more speculative approaches than would be the case if such fees were not paid to the investment manager and/or adviser, or were not linked to the performance of the hedge fund.

Although mutual funds do not typically pay a performance or incentive fee in addition to an advisory fee to its investment manager(s) and/or adviser(s), mutual funds will generally pay fees that have been regulated by law. The regulations regarding the fees that may be paid by mutual funds may be subject to change, and if they are amended so as to impose additional fees on investors in mutual funds, this may have an adverse effect of the value of the units or shares in the mutual fund.

In addition, a fund will usually be obliged to pay fees to its directors and to its other Service Providers (for example, its administrator and its custodian or similar entities) and also any legal, accounting, auditing and administrative charges, and any extraordinary expenses, in each case regardless of whether it realises profits.

(xiv) **Currency and exchange risks and other risks**

Funds might be subject to currency and exchange risks in respect of assets held in other currencies, tax risks in respect of assets invested in other jurisdictions, political risks relating to political, social and economic factors which may affect their assets, which could be held in countries which may be subject to economic difficulties, political or social unrest.

(xv) **Foreign exchange/currency risk**

Funds may invest their assets in securities denominated in a wide range of currencies and, consequently, the net asset value of the Fund Interest Units of such a Fund will fluctuate in accordance with the changes in the foreign exchange rate between the currency of such Fund Interest Unit and the currencies in which its investments are denominated.

(xvi) **Investments in Affiliated or Related Entities**

A fund may invest a portion of its assets in investment funds, structured fund products, collateralized fund obligation transactions and/or with other accounts managed by the fund's investment manager(s) and/or adviser(s), any of their affiliates and/or related parties. As a result, the investment manager(s) and/or adviser(s), any of their affiliates or related parties, may receive fees based on these investments directly from the fund and, directly or indirectly, from such other investment funds, collateralized fund obligation transactions, structured hedge fund products or accounts in which the fund invests.

(xvii) **Correlation with market performance**

Mutual funds typically have a higher correlation with the market performance than hedge funds and are typically structured so that the return on the Fund Interest Units in the mutual fund will reflect the general performance of market conditions. Investors should note that while mutual funds typically aim to achieve a performance which is better than the average market performance through the use of stock-picking skills or market timing or other strategies, there is no guarantee that the performance of a particular mutual fund will necessarily be better than the average market performance. As such, amounts due to investors in Fund-Linked Notes may be the same as (or worse than) general market performance and this amount could have been achieved at a lower cost through investments other than the Fund-Linked Notes.

(xviii) **Operating histories**

Funds may have short or no operating histories, in which case it would not be possible to evaluate the merits of an investment in the fund based on past performance. In any event, past results are not necessarily indicative of future performance. No assurance can be given that a fund will perform well or that it will achieve its investment objectives. Substantial losses or total losses may be incurred by funds.

**Credit-Linked Notes**

(i) **General**

Investment in Credit-Linked Notes is directed at investors who are conversant with the considerable risks involved in credit derivatives, who are willing to assume such risks, and who can absorb a partial or complete loss of principal and interest. The Credit-Linked Notes carry various risks including, without limitation, the insolvency risk of FB(N), and the insolvency, payment default and credit risk of the Reference Entities.

Credit-Linked Notes are linked to a notional structured credit default swap transaction and in particular to the occurrence of one or more Credit Events (as further described in the Final Terms and the Notional Credit Default Swap) with respect to a portfolio of companies comprising Reference Entities (the "**Reference Portfolio**") under the Notional Credit Default Swap. If one or more Credit Events occur in relation to the Reference Entities, the amount of principal to be redeemed under the Notes upon maturity or early redemption and the amounts of interest under the Notes payable until maturity and early redemption is highly likely to be reduced. Accordingly, the amount payable to investors on redemption may be substantially less than the initial principal amount of the Notes and may even be zero.

Consequently, each prospective purchaser of the Notes should understand that the Notes are not principal or coupon guaranteed and it may lose, in part or in whole, amounts invested in the Notes, for instance, but not limited to, as the result of a Credit Event occurring with respect to one or more Reference Entities. An investor should not consider purchasing these Notes without taking detailed advice from a specialised professional adviser.

In the case of Credit-Linked Notes with physical settlement, Noteholders may receive in lieu of any payment of principal, certain securities of the Reference Entities which may have a market value substantially less than that of the initial investment of such Noteholder. Prospective investors should note that they may be required

to take delivery of these securities and should ensure that they have the capacity to receive such obligations on purchasing the Notes.

Investors in the Notes have to make their own analysis as to the suitability of investment in the Notes, the terms and conditions of which are set out in the applicable Final Terms, and may not rely on any prior representations made which would not be in accordance with the information described in the applicable Final Terms.

**(ii) Limited liquidity of Credit-Linked Notes**

There can be no assurance that a secondary market for the Notes will develop or, if a secondary market does develop, that it will provide the Noteholders with liquidity or that it will continue for the life of the Notes.

No person has granted any undertaking to provide any secondary market for the Notes.

Consequently, any purchaser of the Notes must be prepared to hold the Notes for an indefinite period of time or until final redemption or maturity of the Notes. The purchase of the Notes is only suitable for investors who can bear the risks associated with a lack of liquidity in the Notes.

**(iii) Conflicts of interest**

Potential investors should pay attention to the fact that FB(N) is Issuer, may be Calculation Agent, Delivery Agent and protection buyer under a credit default swap similar to the Notional Credit Default Swap in relation to an identical Reference Portfolio (in such capacity, the "**Credit Default Swap Counterparty**"), and is underwriting the issue of the Notes, so that various potential and actual conflicts of interest may arise. In order to mitigate the occurrence of such conflicts of interest, FB(N), when acting in its various capacities in connection with the issue of the Notes, shall comply with the standards of conduct applicable generally to banks in Luxembourg, as applied by FB(N)'s internal compliance procedure. FB(N) acting in such capacities shall have only the duties and responsibilities expressly agreed to by it in its relevant capacity and shall not, by virtue of its acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity.

In case of the occurrence of a conflict of interest as described above, the Credit Default Swap Counterparty shall not be obliged to give priority to the interests of FB(N). For the avoidance of doubt, the Credit Default Swap Counterparty shall be under no obligation to prioritise FB(N) over any other issuer involved in its commercial arrangements outside the arrangements relating to the Notes.

As Calculation Agent in respect of the Notes and the Notional Credit Default Swap, FB(N) acts solely as agent of FB(N) and it does not assume any obligation, relationship of agency, trust or other responsibility towards the Noteholders. Therefore, potential conflicts of interest may exist between the Calculation Agent and the Noteholders, including with respect to certain determinations and judgments that the Calculation Agent may make under the Conditions and the Notional Credit Default Swap, which may influence the amount receivable upon redemption of the Notes and the amount of interest receivable.

As Calculation Agent, FB(N) will make certain determinations and judgments in good faith and in a commercially reasonable manner. Such determinations and judgments including the valuation of a Credit Event on a Reference Entity will affect the outstanding notional amount under any Notional Credit Default Swap. Consequently, this valuation will impact the calculation of the coupon and the redemption amount. The interests of FB(N) as Credit Swap Counterparty do not correspond with and can be opposite to the interests of the Noteholders.

FB(N) may from time to time enter into credit default swap agreements with a member of the Fortis group or other counterparties. FB(N) may issue further credit-linked notes, involving the same, similar or other Reference Entities.

**(iv) Independent review and advice**

Each prospective purchaser of Notes must determine, based on its own independent review (including as to the financial condition and affairs and its own appraisal of the creditworthiness of FB(N), any Reference Entity and the terms of the Notional Credit Default Swap) and such professional advice (including, without limitation, tax, accounting, credit, legal and regulatory advice) as it deems appropriate under the circumstances, whether an investment in the Notes is appropriate in its particular circumstances.

In so doing, and without restricting the generality of the preceding paragraph, such prospective purchaser must determine that its acquisition and holding of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with its articles of association and with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Neither the applicable Final Terms, any other parts of the Base Prospectus nor any other information supplied in connection with any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation by FB(N), or any other person that any recipient of the Final Terms, any other part of the Base Prospectus or any other information supplied in connection with any of them should purchase any Notes.

In case of any doubt about the content or the meaning of the Final Terms, the functioning of the Notes or about the risk involved in purchasing the Notes, investors should consult a specialised financial adviser or abstain from investing.

Neither FB(N), the Arranger, the Calculation Agent, the Delivery Agent, the Credit Swap Counterparty, the Paying Agents, Agent nor any other party makes any representation as to the credit quality of any Reference Entity. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to such Reference Entity. None of such persons is under any obligation to make available any information relating to, or keep under review on the Noteholders' behalf, the business, financial conditions, prospects, creditworthiness or status of affairs of any Reference Entity or conduct any investigation or due diligence into any Reference Entity.

### **Capital Securities**

#### **(i) Optional deferral**

The Issuer may at its discretion elect to defer any Payment (such term does not include principal) on the Capital Securities for any period of time subject to suspension of payment on Junior Securities and Parity Securities. Any payment deferred pursuant to the Issuer's optional right to defer will bear interest at the Applicable Coupon Rate.

#### **(ii) Required deferral**

If and when the Required Deferral Condition is met and during the period such Required Deferral Condition is continuing, the Issuer will defer further Payments (such term does not include principal) on the Capital Securities for any period of time subject to the Issuer no longer being subject to a Required Deferral Condition. Any Payments so deferred will not accrue interest.

#### **(iii) Perpetual securities**

The Issuer is under no obligation to redeem the Capital Securities at any time and the Holders have no right to call for their redemption. The Issuer may from time to time, in connection with the issue of a series of Capital Securities, enter into a replacement capital covenant for the benefit of one or more designated series of debt securities. A replacement capital covenant would permit the Issuer to redeem such series of Capital Securities only to the extent it has raised sufficient net proceeds from the issuance of qualifying securities.

#### **(iv) Status, Subordination and Ranking**

The Capital Securities constitute direct, unsecured, subordinated securities of the Issuer and rank *pari passu* without any preference among themselves. The rights and claims of the Holders under the Capital Securities are subordinated to the claims of Senior Creditors of the Issuer, present and future. On a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer, the Capital Securities will rank in priority to distributions on all classes of share capital of the Issuer and will rank *pari passu* with each other and among themselves, but will be subordinated in right of payment to the claims of Senior Creditors of the Issuer, present and future.

The Capital Securities are exclusive obligations of the Issuer. The Issuer is a holding company and conducts parts of its operations through its subsidiaries which own a part of its operating assets. Its subsidiaries are separate and distinct legal entities, and have no obligation to pay any amounts due or to provide the Issuer with funds to meet any payment obligations that arise thereunder. The Issuer's right to receive any assets of any of its subsidiaries, as an equity holder of such subsidiaries, upon their liquidation or reorganisation, and therefore the right of the holders of Capital Securities to participate in those assets, will be effectively subordinated to the claims of that subsidiary's creditors, including obligations to policyholders.

**"Senior Creditors"** means present and future creditors of the Issuer:

- (a) who are unsubordinated creditors of the Issuer, or
- (b) whose claims are, or are expressed to be, subordinated (whether only in the event of the winding-up (*faillissement of vereffening na ontbinding*) of the Issuer or otherwise) to the claims of unsubordinated creditors of the Issuer, but not further or otherwise; or
- (c) who are subordinated creditors of the Issuer other than those whose claims are, or are expressed to rank, *pari passu* with, or junior to, the claims of the Holders of Capital Securities.

(v) **Redemption risk**

Upon the occurrence of certain specified tax or regulatory events, or the exercise of an issuer call, the Capital Securities may be redeemed at their principal amount together with any Outstanding Payments (as defined in Capital Securities Condition 20, (*Definitions*), subject as provided under Capital Securities Condition 7 (*Redemption and Purchase*). Upon the occurrence of certain tax or regulatory events, the Issuer may also elect to convert or exchange the Capital Securities to another series of Capital Securities, subject as provided under Capital Securities Condition 7 (*Redemption and Purchase*).

(vi) **Alteration of terms upon a Regulatory Event**

Upon the occurrence of a Regulatory Event, the terms of the Capital Securities will be automatically altered so to reflect that they have become Altered Capital Securities which for International Financial Reporting Standards ("IFRS") purposes are classified as equity applying the current IFRS standards.

If the terms of the Capital Securities are so altered, the Altered Capital Securities that a Holder will then hold will have different rights than those applicable to the Capital Securities and such rights are less favourable to Holders than those that apply to the Capital Securities, provided that in a winding-up of the Issuer the Altered Capital Securities will in any case have the same ranking as the Capital Securities.

(vii) **No limitation on issuing debt**

There is no restriction on the amount of debt which the Issuer may issue which ranks senior to the Capital Securities or on the amount of securities which the Issuer may issue which ranks *pari passu* with the Capital Securities. The issue of any such debt or securities may reduce the amount recoverable by Holders on a winding-up (*faillissement* of *vereffening na ontbinding*) of the Issuer and may increase the likelihood of a deferral of Payments under the Capital Securities. Use of the Alternative Coupon Satisfaction Mechanism to satisfy Deferred Coupon Payments may be subject to caps.

The Issuer may satisfy Deferred Coupon Payments only by means of issuing Ordinary Shares in accordance with Capital Securities Condition 6 (*Alternative Coupon Satisfaction Mechanism*). The ability of the Issuer to satisfy Deferred Coupon Payments by means of issuing Ordinary Shares may be subject to a cap on the issue of such Ordinary Shares during predefined periods of time, as referred to in Capital Securities Condition 6(a) (*Alternative Coupon Satisfaction Mechanism*) and, if applicable, as specified in the applicable Final Terms in relation to any Capital Securities. Consequently, if at any time when any Deferred Coupon Payment fails to be satisfied as a result of the Issuer having reached the Ordinary Shares Threshold, if applicable, the Issuer will not be able to satisfy such Deferred Coupon Payment until the expiry of the relevant ACSM Cap Period. In addition, if at the end of any ACSM Settlement Period in respect of any Deferred Coupon Payment the Issuer has been unable to make full payment of such Deferred Coupon Payment in accordance with the Alternative Coupon Satisfaction Mechanism, the obligations of the Issuer to satisfy the Coupon Payment that was deferred at the beginning of such ACSM Settlement Period shall, to the extent not already settled under the ACSM, be cancelled, and Holders of the Capital Securities will have no claim in respect thereof. Furthermore, in the event of a winding-up of the Issuer, if the Final Terms in relation to any Capital Securities indicate that the Ordinary Shares Threshold is applicable, if any part of a Deferred Coupon Payment remains unsettled as a result of the Issuer having reached the Ordinary Shares Threshold during the ACSM Cap Period preceding wind up, then the Holders of the Capital Securities will have no claim in respect of such unsettled Deferred Coupon Payment.

(viii) **Availability of shares**

If the Issuer is to make a payment using the Alternative Coupon Satisfaction Mechanism (which is mandatory if it concerns Deferred Coupon Payments and which the Issuer may elect to do in other cases) and has an insufficient number of Ordinary Shares available for issue, then the Issuer's payment obligation shall be suspended to the extent of such insufficiency until such time as sufficient shares are available to satisfy all or part of the suspended payment obligation.

(ix) **Market Disruption Event**

If, in the event the Alternative Coupon Satisfaction Mechanism is applied (which is mandatory if it concerns Deferred Coupon Payments and which the Issuer may elect to do in other cases), in the opinion of the Issuer a Market Disruption Event in respect of its Ordinary Shares exists, the payment to Holders may be deferred until the cessation of such market disruption. Any such deferred payments shall bear interest at the Applicable Coupon Rate if the Market Disruption Event continues for 14 days or more.

(x) **Restricted remedy for non-payment**

The sole remedy against the Issuer available to any Holder for recovery of amounts owing in respect of any Payment or principal in respect of the Capital Securities will be the institution of proceedings for the winding-up (*faillissementsprocedure*) of the Issuer and/or proving in such winding-up.

(xi) **Set-off**

Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Capital Securities and each Holder shall, by virtue of being the holder of any Capital Security, be deemed to have waived all such rights of set-off.

**Subordinated Notes**

(i) **Issues of Subordinated Notes; limited rights to accelerate**

The Issuer may issue Notes under the Programme which are subordinated to the extent described in MTN Condition 3 (*Status of the Notes*). Any such Subordinated Notes will constitute unsecured subordinated obligations of the Issuer. Subordinated Notes of one Series will rank *pari passu* without any preference among themselves and with all other present and future unsecured and identically subordinated obligations of the Issuer, save for those preferred by mandatory provisions of law. In the event of dissolution, liquidation, winding-up or bankruptcy of the Issuer or in the event of Emergency Regulation with respect to the Issuer, the claims of the holders of the Subordinated Notes against Issuer will be subordinated to (a) the claims of depositors, (b) unsubordinated claims with respect to the repayment of borrowed money and (c) other unsubordinated claims and higher ranking Subordinated Indebtedness. By virtue of such subordination, payments to a Holder of Subordinated Notes will, in the event of liquidation or bankruptcy of the Issuer or in the event of Emergency Regulation with respect to the, only be made after, and any set-off by a Holder of Subordinated Notes shall be excluded until, all obligations of the Issuer resulting from deposits, unsubordinated claims with respect to the repayment of borrowed money, other unsubordinated claims and higher ranking Subordinated Indebtedness have been satisfied. A Holder of Subordinated Notes may therefore recover less than the holders of deposit liabilities or the holders of other unsubordinated or higher ranking subordinated liabilities of the Issuer. Furthermore, the Conditions do not limit the amount of the liabilities ranking senior to any Subordinated Notes which may be incurred or assumed by the relevant Issuer from time to time, whether before or after the Issue Date of the relevant Subordinated Notes.

In addition, the rights of Holders of Subordinated Notes are limited in certain respects. In particular, (i) redemption of Subordinated Notes pursuant to MTN Condition 5(b), 5(c) or 5(i) may only be effected after the Issuer has obtained the written consent of the Dutch Central Bank (*De Nederlandsche Bank N.V.*, "**DNB**"), and (ii) the Issuer must obtain the prior written consent of DNB before effecting any repayment of Subordinated Notes following an event of default, pursuant to MTN Condition 6(b).

(ii) **Under certain conditions, interest payments under Tier 1 Notes must be forfeited**

Interest on Tier 1 Notes shall not be payable on any Interest Payment Date in the event that the Issuer has - based on information contained in its most recently adopted annual accounts - no distributable items (*middelen die voor uitkering beschikbaar zijn*), as referred to in article 2:3 under b of the DNB Regulation (as defined below) ("**Distributable Items**") or Distributable Items which are less than the aggregate amount of interest due and payable on all outstanding Tier 1 Notes and any dividends or interest due and payable on any *pari passu* ranking Tier 1 Capital of the Issuer, in each case otherwise payable during the financial year in which the relevant Interest Payment Dates fall.

"**DNB Regulation**" means the regulation in respect of hybrid instruments as set out by the DNB and published in the Supervisory Regulation on the Recognition of Hybrid Instruments as Regulatory Capital Components dated 11 December 2007 (*Regeling gelijkstelling hybride instrumenten met eigenvermogensbestanddelen*) issued pursuant to the Decree on Prudential Rules Wft.

If interest is not paid on this ground, such unpaid interest shall be forfeited (*vervallen*) and there shall be no cumulation. Forfeited amounts of interest shall be lost to the investor and the investor will have no right to demand any compensation or alternative remedy in respect of interest payments so forfeited. Any forfeiting of interest payments will be likely to have an adverse effect on the market price of the Tier 1 Notes. In addition, as a result of the interest forfeiting provision of the Tier 1 Notes, the market price of the Tier 1 Notes may be more volatile than the market prices of other debt securities in respect of which accrued interest is not subject to such omission and may be more sensitive generally to adverse changes in the Issuer's financial condition.

(iii) **Under certain conditions, interest payments under Tier 3 Notes must be deferred**

Interest on Tier 3 Notes will not be payable on any interest payment date if and to the extent that at the time of, or as a result of such payment the Issuer's actual Own Funds (as defined in Condition 4(g) of the Terms and Conditions of the Medium Term Notes issued by the Issuer) would amount to less than 100 per cent. of the Issuer's required minimum amount of Own Funds under the Decree on Prudential Rules Wft. Any interest in respect of the Tier 3 Notes not paid on an interest payment date on which such interest would otherwise be payable will constitute arrears of interest ("**Arrears of Interest**") and will become payable and will be paid by the Issuer as soon as and to the extent that the Issuer will, after such payment has been made, meet the solvency test referred to in the previous sentence. Any Arrears of Interest will also become fully payable on the date of the dissolution of the Issuer, the date on which the Issuer is declared bankrupt or the date on which a moratorium resulting from the application of emergency measures as referred to in Chapter 3.5.5 of the Wft is declared in respect of the Issuer. Where any amount of interest or Arrears of Interest is not paid in full, each part payment

shall be made pro rata to the Tier 3 Noteholders of the relevant Series and shall be in respect of the interest accrued furthest from the date of payment. Any Arrears of Interest shall not themselves bear interest.

Any deferral of interest payments will likely have an adverse effect on the market price of the Tier 3 Notes. In addition, as a result of the interest deferral provision of the Tier 3 Notes, the market price of the Tier 3 Notes may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer's financial condition.



## INFORMATION INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

1. the Issuer's publicly available reviewed (unaudited) consolidated semi-annual financial statements for the six months ended 30 June 2009 (as set out on pages 28-33 of the interim financial statements 2009, including the summary of the accounting policies and principles of consolidation as set out on pages 35-38, the notes to the financial statements as set out on pages 34-93 and the auditors' review report on page 94).
2. the Issuer's publicly available audited consolidated annual financial statements for the financial year ended 31 December 2008 (as set out on pages 9 through 14 of the financial statements 2008, including the accounting policies as set out on pages 16 through 37, the notes to the financial statements as set out on pages 109 through 168 and the auditors' report on pages 185 and 186).
3. the Issuer's publicly available audited consolidated annual financial statements for the financial year ended 31 December 2007 (as set out on pages 9 through 14 of the financial statements 2007, including the accounting principles as set out on pages 16 through 35, the notes to the financial statements as set out on pages 101 through 170 and the auditors' report on pages 186 and 187).

Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

### Cross-Reference Table

Semi-Annual Financial Statements 2009	Page reference
(a) accounting policies and principles of consolidation;	35-38
(b) consolidated balance sheet;	29
(c) consolidated income statement;	30
(d) consolidated cash flow statement;	33
(e) notes to the financial statements;	50-93
(f) review report	94
 Financial Statements 2008	 Page reference
(a) accounting policies;	16-37
(b) consolidated balance sheet;	10
(c) consolidated income statement;	11
(d) consolidated cash flow statement;	13
(e) notes to the financial statements;	109-168
(f) auditors' report to the audited annual financial statements for the financial year ended 31 December 2008	185-186
 Financial Statements 2007	 Page reference
(a) accounting policies;	16-35
(b) consolidated balance sheet;	10
(c) consolidated income statement;	11
(d) consolidated cash flow statement;	13
(e) notes to the financial statements;	101-170

Any statement contained in a document incorporated by reference into this Base Prospectus shall be deemed to be modified or superseded to the extent that a statement contained in any subsequent document which also is incorporated by reference into this Base Prospectus modifies or supersedes such statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

FB(N) has undertaken, in connection with the admission to listing on the official list and to trading of the Notes on the regulated market of the Luxembourg Stock Exchange and/or admitted to listing and trading on Euronext Amsterdam by NYSE Euronext and/or admission to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system, that if at any time there shall occur any significant new factor which is not reflected in this Base Prospectus or any supplements thereto and/or there shall be any material mistake or inaccuracy relating to the information included in this Base Prospectus or any supplements thereto, in each case, which is capable of affecting the assessment of the Notes, FB(N) will prepare or procure the preparation of an appropriate supplement to this Base Prospectus or, as the case may be, a new Base Prospectus, for use in connection with any subsequent issue by FB(N) of Notes to be admitted to listing on the official list and to trading on the regulated market of Luxembourg Stock Exchange and/or admitted to listing and trading on Euronext Amsterdam by NYSE Euronext and/or admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system. If the terms of the Programme are modified or amended in a manner which would make the Base Prospectus inaccurate or misleading, a new Base Prospectus or supplement will be prepared.

This Base Prospectus, the documents incorporated by reference and any Final Terms in respect of Notes admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange will be available in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). In addition, on behalf of FB(N), Fortis will post an electronic version of this Base Prospectus on its website ([www.fortis.nl](http://www.fortis.nl)) in the section "*Investor relations/Debt Investors/Offering documents*".

No websites that are cited or referred to in this Base Prospectus shall be deemed to form part of, or to be incorporated by reference into, this Base Prospectus.

## FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "**necessary information**" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme, the Issuer has endeavoured to include in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the applicable Final Terms or in a Drawdown Prospectus. Such information will be contained in the applicable Final Terms unless any of such information constitutes a significant new factor relating to the information contained in this Base Prospectus in which case such information, together with all of the other necessary information in relation to the relevant Tranche of Notes, will be contained in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, supplement this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions as supplemented, amended and/or replaced to the extent described in the applicable Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted either (1) by a single document containing the necessary information relating to FB(N) and the relevant Notes or (2) by a registration document (the "**Drawdown Registration Document**") containing the necessary information relating to FB(N), a securities note (the "**Drawdown Securities Note**") containing the necessary information relating to the relevant Notes and, if necessary, a summary note. In addition, if the Drawdown Prospectus is constituted by a Registration Document and a Securities Note, any significant new factor, material mistake or inaccuracy relating to the information included in the Drawdown Registration Document which arises or is noted between the date of the Drawdown Registration Document and the date of the Drawdown Securities Note which is capable of affecting the assessment of the relevant Notes will be included in the Drawdown Securities Note.

## GENERAL DESCRIPTION OF THE PROGRAMME

The following is a brief description of the Programme only and should be read in conjunction with the rest of this document and, in relation to any Notes, in conjunction with the applicable Final Terms and, to the extent applicable, the Conditions set out herein.

<b>Issuer:</b>	Fortis Bank (Nederland) N.V. (formerly known as Fortis Bank Nederland (Holding) N.V.)  Effective 1 September 2009, Fortis Bank Nederland (Holding) N.V. and Fortis Bank (Nederland) N.V. merged following which Fortis Bank Nederland (Holding) N.V. acquired Fortis Bank (Nederland) N.V. and Fortis Bank (Nederland) N.V. ceased to exist. Effective 1 September 2009, Fortis Bank Nederland (Holding) N.V. changed its statutory name in Fortis Bank (Nederland) N.V.
<b>Arranger:</b>	Fortis Bank (Nederland) N.V., operating under the trade name MeesPierson.
<b>Dealers:</b>	ABN AMRO Bank N.V., Barclays Bank PLC, BNP PARIBAS, CALYON, Citigroup Global Markets Limited, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International), Deutsche Bank AG, London Branch, Fortis Bank (Nederland) N.V., operating under the trade name MeesPierson, Goldman Sachs International, HSBC Bank plc, ING Bank N.V., J.P. Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International plc, Royal Bank of Canada Europe Limited, Société Générale, The Royal Bank of Scotland plc and UBS Limited and any other dealer appointed from time to time by FB(N) either generally in respect of the Programme or in relation to a particular Tranche (as defined below) of Notes.
<b>Agent and Principal Paying Agent:</b>	BGL BNP Paribas SA
<b>Paying Agents:</b>	BGL BNP Paribas SA and Fortis Bank (Nederland) N.V.
<b>Final Terms or Drawdown Prospectus:</b>	<p>Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a drawdown prospectus (each a “<b>Drawdown Prospectus</b>”) prepared in connection with a particular Tranche of Notes.</p> <p>For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, supplement the Conditions and this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions as supplemented, amended and/or replaced to the extent described in the applicable Final Terms.</p> <p>The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus.</p>
<b>Luxembourg Listing Agent:</b>	BGL BNP Paribas SA
<b>Amsterdam Listing Agent:</b>	Fortis Bank (Nederland) N.V.
<b>Registrars and Transfer Agents:</b>	BGL BNP Paribas SA and Fortis Bank (Nederland) N.V. or any other registrar or agent(s) appointed from time to time
<b>Delivery Agent:</b>	Such delivery agent as specified in the applicable Final Terms
<b>Programme Amount:</b>	EUR 40,000,000,000 (and, for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes using the spot rate of

exchange for the purchase of such currency against payment of euro being quoted by the relevant Dealer(s) as agreed with FB(N) on the date on which the relevant agreement in respect of the relevant Tranche (as defined below) was made (or such other rate as FB(N) and the relevant Dealer may agree) outstanding at any time. The maximum aggregate principal amount of Notes permitted to be outstanding at any one time under the Programme is EUR 40,000,000,000 (or its equivalent in other currencies). The maximum aggregate principal amount of Notes which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealership Agreement as defined under "*Subscription and Sale*".

**Issuance in Series:**

Notes will be issued in series (each, a "**Series**"). Each Series may comprise one or more tranches ("**Tranches**") and each, a "**Tranche**") issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

**Form of Notes:**

Medium Term Notes will be issued in bearer form or in registered form. Capital Securities will be issued in bearer form only. Each Tranche of Bearer Notes will be issued in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the applicable Final Terms and Registered Notes will be represented by a Global Certificate. Each Global Note which is not intended to be issued in a new global note ("**NGN**") form (a "**Classic Global Note**" or "**CGN**"), as specified in the applicable Final Terms or the Global Certificate for any issue, will be deposited on or around the relevant issue date with, and the Global Certificate will be registered in the name of, or in the name of a nominee for (i) a depository or a common depository on behalf of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, or (ii) Euroclear Netherlands and each Global Note which is intended to be issued in NGN form (a "**New Global Note**" or "**NGN**"), as specified in the applicable Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the applicable Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the applicable Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. If so specified in the applicable Final Terms, a Permanent Global Note will be exchangeable for Definitive Notes and a Global Certificate will be exchangeable for Individual Certificates in accordance with its terms (see "*Provisions relating to the Notes whilst in Global Form*" below). Definitive Notes will, if interest-bearing, have interest coupons ("**Coupons**") attached and, if appropriate, a talon ("**Talon**") for further Coupons and will, if the principal thereof is repayable by instalments, have payment receipts ("**Receipts**") attached.

**Currencies:**

Notes may be denominated in any currency or currencies, including Australian Dollars, Canadian Dollars, Danish Kroner, euro, Hong Kong Dollars, Japanese Yen, New Zealand Dollars, Norwegian Kroner, Sterling, Swedish Kroner, Swiss Francs and United States Dollars, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to compliance as aforesaid, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

**Status of the Notes (other than Capital Securities):**

Notes may be issued on an unsubordinated, dated subordinated and undated subordinated basis, as specified in the applicable Final

Terms.

**Status of the Capital Securities:**

The Capital Securities constitute direct, unsecured, subordinated securities of the Issuer and rank *pari passu* without any preference among themselves and with all other present and future unsecured and identically subordinated obligations of the Issuer, save for those preferred by mandatory provisions of law. The Capital Securities are subordinated to Subordinated Notes. The Capital Securities are perpetual securities with no fixed redemption date; however, the Capital Securities can be redeemed in accordance with the applicable terms and conditions and subject to the approval of the Dutch Central Bank (*De Nederlandsche Bank N.V.*).

**Issue Price:**

Notes may be issued at any price and either on a fully or partly paid basis, as specified in the applicable Final Terms. The price and amount of Notes to be issued under the Programme will be determined by FB(N) and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.

**Maturities:**

Any maturity or with no fixed maturity date, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements. Where Notes have a maturity of less than one year from the date of issue and either (a) the issue proceeds are received by FB(N) in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by FB(N) in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by FB(N).

**Redemption:**

The applicable Final Terms of the Medium Term Notes will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or following an Event of Default) or that such Notes will be redeemable for taxation reasons, illegality or at the option of FB(N) (in whole or in part) and/or, in the case of Unsubordinated Notes, the Noteholders upon giving such period of notice as may be agreed between FB(N) and the relevant Dealer(s). The Capital Securities can be redeemed, exchanged or converted in accordance with the applicable terms and conditions and subject to the approval of the Dutch Central Bank (*De Nederlandsche Bank N.V.*) upon the occurrence of certain specified tax or regulatory events, or the exercise of an issuer call. Subordinated Notes can only be early-redeemed subject to approval of the Dutch Central Bank (*De Nederlandsche Bank N.V.*).

FB(N) may also issue Notes the terms of which permit it to pay and/or discharge its obligations with respect of such Notes by the payment or delivery of securities and/or other property or any combination of cash, securities and/or other property. The terms of such Notes and the conditions upon which such payment and/or discharge may be effected will be set out in full in the applicable Final Terms.

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

**Fixed Rate Notes:**

Fixed interest will be payable on such date or dates as may be agreed between FB(N) and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between FB(N) and the relevant

Dealer(s) as indicated in the applicable Final Terms.

**Floating Rate Notes:**

Floating Rate Notes will bear interest at a rate determined:

- (i) 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 ISDA Definitions; or
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iii) on such other basis as may be agreed between FB(N) and the relevant Dealer(s).

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

**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 FB(N) and the relevant Dealer(s) may agree and as 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.

**Index-Linked Notes:**

Payments of interest and/or principal in respect of Index-Linked Notes will be calculated by reference to such index and/or formula or to changes in the price of securities or commodities or to such other factors as FB(N) and the relevant Dealer(s) may agree (as specified in the applicable Final Terms). The terms and conditions applicable to Index-Linked Notes are set out under "*Terms and Conditions of Index-Linked Notes*". The specific terms and conditions applicable to a particular issue of Index-Linked Notes will be set out in the applicable Final Terms.

**Equity-Linked Notes:**

Payment of interest and/or principal in respect of Equity-Linked Notes may be calculated by reference to a share or a basket of shares or to such other factors or formulae referencing a share or a basket of shares as FB(N) and the relevant Dealer(s) may agree. (as specified in the applicable Final Terms). The terms and conditions applicable to Equity-Linked Notes are set out under "*Terms and Conditions of Equity-Linked Notes*". The specific terms and conditions applicable to a particular issue of Equity-Linked Notes will be set out in the applicable Final Terms. Equity-Linked Notes will not be linked to the equity of FB(N) nor will they be linked to the equity of a member of the Fortis group.

**Fund-Linked Notes:**

Payments of interest and/or principal in respect of Fund-Linked Notes will be calculated by reference to units, interests or shares in a single fund or basket of funds or to such other factors as may be agreed between FB(N) and the relevant Dealer(s) (as specified in the applicable Final Terms). The terms and conditions applicable to Fund-Linked Notes are set out under "*Terms and Conditions of Fund-Linked Notes*". The specific terms and conditions applicable to a particular issue of Fund-Linked Notes will be set out in the applicable Final Terms.

Fund-Linked Notes may be subject to (a) substitution of a fund with a replacement fund, (b) adjustment or (c) early redemption, if certain events occur with respect to a fund, any of its service providers or any other specified entity.

**Credit-Linked Notes:**

Payments of interest and/or principal in respect of Credit-Linked Notes will be calculated by reference to a notional credit default swap transaction and in particular to the occurrence of one or more Credit Events (as specified in the Final Terms and the Notional Credit Default Swap) with respect to a portfolio of entities comprising the reference entities under the Notional Credit Default

Swap, as FB(N) and the relevant Dealer(s) may agree (as specified in the applicable Final Terms). The terms and conditions applicable to Credit-Linked Notes are set out under "*Terms and Conditions of Credit-Linked Notes*". The specific terms and conditions applicable to a particular issue of Credit-Linked Notes will be set out in the applicable Final Terms.

**Commodity-Linked Notes:**

Payments of interest and/or principal in respect of Commodity-Linked Notes will be calculated by reference to a commodity or a basket of commodities and/or formula(e) or to such other factors as FB(N) and the relevant Dealer(s) agree (as specified in the applicable Final Terms). The terms and conditions applicable to Commodity-Linked Notes are set out under "*Terms and Conditions of Commodity-Linked Notes*". The specific terms and conditions applicable to a particular issue of Commodity-Linked Notes will be set out in the applicable Final Terms.

**Currency-Linked Notes:**

Payments of interest and/or principal in respect of Currency-Linked Notes will be made in such currencies, and by reference to such rates of exchange and/or formula(e) or to such other factors as FB(N) and the relevant Dealer(s) may agree (as specified in the applicable Final Terms). The terms and conditions applicable to Currency-Linked Notes are set out under "*Terms and Conditions of Currency-Linked Notes*". The specific terms and conditions applicable to a particular issue of Currency-Linked Notes will be set out in the applicable Final Terms.

**Inflation-Linked Notes:**

Payment of interest and/or principal in respect of Inflation Linked Notes will be calculated by reference to such inflation index or indices and/or formula(e) or to such other factors as FB(N) and the relevant Dealer(s) may agree (as specified in the applicable Final Terms). The terms and conditions applicable to Inflation-Linked Notes are set out under "*Terms and Conditions of Inflation-Linked Notes*". The specific terms and conditions applicable to a particular issue of Inflation-Linked Notes will be set out in the applicable Final Terms.

**Other provisions in Relation to Floating Rate Notes, Index-Linked Interest Notes, Equity-Linked Interest Notes, Fund Linked Interest Notes, Credit-Linked Notes, Commodity-Linked Notes, Currency-Linked Notes, Inflation-Linked Notes and other Variable Coupon Amount Notes:**

Floating Rate Notes, Index-Linked Interest Notes, Equity-Linked Interest Notes, Fund-Linked Interest Notes, Condition-Linked Interest Notes, Commodity-Linked Interest Notes, Currency-Linked Interest Notes, Inflation-Linked Notes and other Variable Coupon Amount Notes may also have a Maximum Interest Rate, a Minimum Interest Rate or both. Interest on Floating Rate Notes, Index-Linked Interest Notes, Equity-Linked Interest Notes and Fund-Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by FB(N) and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction as may be agreed between FB(N) and the relevant Dealer(s).

**Range Accrual Notes:**

Notes issued pursuant to the Programme may include Index-Linked Notes in respect of which, for one or more Interest Periods, the rate of interest specified in the applicable Final Terms is calculated by multiplying a rate, currency exchange rate, index, formula or other factor or combination thereof (each a "**Reference Rate**") by a fraction (the "**Index Ratio**") whose denominator is the total number of days (each an "**Observation Day**") within a period (an "**Observation Period**") and whose numerator is the actual number of days during that Observation Period on which a predetermined event (the "**Fixing Event**") occurs. The Fixing Event may be an event upon which one or more indices, formulae, currency exchange rates, rates or a combination thereof, is greater than and/or equal to and/or lower than and/or equal to a predetermined level or levels of another rate, currency exchange rate, index, formula or constant, as specified in the applicable Final Terms.

**Other Notes:**

Further terms applicable to step-up Notes, step-down Notes, Partly Paid Notes, fixed-to-floating rate Notes, Variable Coupon Amount Notes, or any variant, and any other type of Note which FB(N) and the relevant Dealer(s) may agree to issue under the Programme will



be set out in the applicable Final Terms.

**Denominations:**

Notes will be issued in such denominations as may be specified in the applicable Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

**Taxation:**

As more fully set out in Condition 7 (*Taxation*) of the MTN Conditions and Capital Securities Condition 11 (*Taxation*), payments in respect of Notes 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 The Netherlands or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, and unless otherwise specified in the applicable Final Terms, FB(N) will (subject to customary exceptions) pay such additional amounts as will result in the Holders of Notes or Coupons receiving such amounts as they would have received in respect of such Notes or Coupons had no such withholding or deduction been required.

**Cross Default:**

The Unsubordinated Notes will contain a cross default in respect of indebtedness for borrowed money of FB(N) as more fully set out in MTN Condition 6 (*Events of Default and Subordinated Events*).

**Negative Pledge:**

None.

**Governing Law:**

The Notes and all related contractual documentation will be governed by Dutch law.

**Admission to trading and listing:**

Each Series may be admitted to listing on the official list and to trading on, the regulated market of the Luxembourg Stock Exchange, admitted to listing and trading on Euronext Amsterdam by NYSE Euronext, and/or admitted to listing, trading and/or quotation on any other competent authority, stock exchange and/or quotation system, as may be agreed between FB(N) and the relevant Dealer(s) and specified in the applicable Final Terms. Subject thereto, Notes may also be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system.

**Terms and Conditions:**

Final Terms will be prepared in respect of each Tranche of Notes a copy of which will, in the case of Notes to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and/or admitted to listing and trading on Euronext Amsterdam by NYSE Euronext will be delivered to the AFM, the Luxembourg Stock Exchange and/or Euronext Amsterdam and in the case of Notes to be admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system, be delivered to such competent authority, stock exchange and/or quotation system on or before the date of issue (the closing date) of such Notes. The terms and conditions applicable to each Tranche will be those set out herein under "*Terms and Conditions of the Notes*" as supplemented, modified or replaced by the applicable Final Terms.

**Clearing Systems:**

Euroclear, Clearstream, Luxembourg, Euroclear Netherlands and/or, in relation to any Notes, any other clearing system as may be specified in the applicable Final Terms.

**Selling Restrictions:**

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the Netherlands, France, Italy, Spain, the United Kingdom, Luxembourg, the European Economic Area and Japan see "*Subscription and Sale*".

## FORM OF FINAL TERMS FOR MEDIUM TERM NOTES

Final Terms dated [ ]

### Fortis Bank (Nederland) N.V.

*(incorporated with limited liability under the laws of The Netherlands, having its registered office in Amsterdam, per address Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands, and registered with the Dutch Registry of the Chamber of Commerce and Industry for Amsterdam under Number 30080248)*

### Issue of [**Aggregate Nominal Amount of Tranche**] [**Title of Notes**] under the EUR 40,000,000,000 Debt Issuance Programme

#### PART A – CONTRACTUAL TERMS

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

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 46 of Part A below, provided such person is one of the persons mentioned in Paragraph 43 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances].<sup>1</sup>

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances].<sup>2</sup>

#### [**START OF OPTIONS**]

**Option 1** *(The following paragraphs should only be inserted for issues to be admitted to trading on a regulated market and/or offered to the public in the European Economic Area other than pursuant to an exemption contemplated in Article 3(2) of the Prospectus Directive):*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Medium Term Notes (the "**Conditions**") set forth in the Base Prospectus dated 6 November 2009 [and the supplement to the Base Prospectus dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (*Directive 2003/71/EC*) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented] (together, the "**Base Prospectus**").

Full information on the Issuer and the Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at the [website of the [Luxembourg Stock Exchange] [and] [Euronext Amsterdam]] and copies may be obtained from the Issuer at Prins Bernhardplein 200, 1097JB Amsterdam, The Netherlands, and the Paying Agents, BGL BNP

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<sup>1</sup> Include this legend where a non-exempt offer of Notes, within the meaning of Article 3 of the Prospectus Directive is anticipated.

<sup>2</sup> Include this legend where only an exempt offer of Notes, within the meaning of Article 3 of the Prospectus Directive is anticipated.

Paribas SA at 50 Avenue J.F. Kennedy, L-2951 Luxembourg and Fortis Bank (Nederland) N.V. at Rokin 55, 1012 KK Amsterdam, The Netherlands.

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

[Terms used herein shall be deemed to be defined as such for the purposes of the [date] Terms and Conditions of the Medium Term Notes (the “**Conditions**”) incorporated by reference in the Base Prospectus dated [original date] [and the supplement to the Base Prospectus dated [•]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [•]] (together, the “**Base Prospectus**”), which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive.

Full information on the Issuer and the Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at the [website of the [Luxembourg Stock Exchange] [and] [Euronext Amsterdam]] and copies may be obtained from the Issuer at Prins Bernhardplein 200, 1097JB Amsterdam, The Netherlands, and the Paying Agents, BGL BNP Paribas SA at 50 Avenue J.F. Kennedy, L-2951 Luxembourg and Fortis Bank (Nederland) N.V. at Rokin 55, 1012 KK Amsterdam, The Netherlands.

**Option 2** *(The following paragraphs should only be inserted for issues of Notes which are not to be admitted to trading on a regulated market and/or offered to the public in the European Economic Area other than pursuant to an exemption contemplated in Article 3(2) of the Prospectus Directive):*

This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Medium Term Notes (the “**Conditions**”) set forth in the Base Prospectus dated 6 November 2009 [and the supplement to the Base Prospectus dated [•]]. These Final Terms of the Notes must be read in conjunction with such Base Prospectus [and the supplement to the Base Prospectus dated [•]].

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Medium Term Notes (the “**Conditions**”) [incorporated by reference] [set forth] in the Base Prospectus dated [original date]. These Final Terms of the Instruments must be read in conjunction with the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [•]], [save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] and are attached hereto].]

**[END OF OPTIONS]**

*Unless stated otherwise, include all the items listed in Part A – Contractual Terms of these Final Terms in connection with all Notes. References in the drafting notes to retail issues are to issues of Notes with a denomination of less than EUR 50,000 to be admitted to trading on a regulated market and/or offered to the public and references to wholesale issues are to issues of Notes with a denomination of at least EUR 50,000 to be admitted to trading on a regulated market.*

*[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. Italics denote guidance for completing the Final Terms.]*

*[When completing any final terms, or 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 Prospectus under Article 16 of the Prospectus Directive.]*

1. Issuer: Fortis Bank (Nederland) N.V.

2. [(i)] Series Number: [ ]

[(ii)] Tranche Number: [ ]

*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]*

3. Specified Currency or Currencies: [ ]

4. Aggregate Nominal Amount [of Notes admitted to trading]: *[only include the words in the left column that are in square brackets for wholesale issues]*
- [(i)] Series: [ ]
- [(ii)] Tranche: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (*in the case of fungible issues only, if applicable*)]
6. (i) Specified Denominations: [ ]
- [EUR 50,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 99,000. No notes in definitive form will be issued with a denomination above EUR 99,000.]*
- (ii) Calculation Amount: [ ]
- [The applicable Calculation Amount (which is used for the calculation of interest and redemption amounts) will be (i) if there is only one Specified Denomination, the Specified Denomination of the relevant Notes or (ii) if there are several Specified Denominations, the highest common factor of those Specified Denominations (note: there must be a common factor in the case of two or more Specified Denominations).]*
7. [(i)] Issue Date: [ ]
- [(ii)] Interest Commencement Date: [ ]
8. Maturity Date: *[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]. If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available.]*
- [Subject to adjustment in accordance with the *[name of applicable Business Day Convention]* for which the Relevant Business Day is [ ].] or [Not subject to adjustment.]*
9. Interest Basis: [• per cent. Fixed Rate]
- [[specify reference rate] +/- • per cent.  
Floating Rate]  
[[Zero Coupon]  
[Variable Coupon Amount]  
[Index-Linked Interest]  
[Equity-Linked Interest]  
[Fund-Linked Interest]  
[Inflation-Linked Interest]  
[Commodity-Linked Interest]  
[Currency-Linked Interest]  
[Credit-Linked Interest]  
[Other (specify)]  
(further particulars specified below)]*
10. Redemption/Payment Basis: *[Redemption at par]  
[Index-Linked Redemption]  
[Equity-Linked Redemption]  
[Fund-Linked Redemption]  
[Inflation-Linked Redemption]  
[Commodity-Linked Redemption]  
[Currency-Linked Redemption]  
[Credit-Linked Redemption]  
[Dual Currency]*

[Partly Paid]  
[Instalment]  
[Other (specify)]

*(N.B if the Final Redemption Amount is not par or 100% of the nominal value the Notes may be derivative securities for the purpose of the Prospectus Directive and the requirements of Annex XII of the Prospectus Directive Regulation will apply)*

11. Change of Interest or Redemption/Payment Basis: [Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]
12. Terms of redemption at the option of the Issuer /Noteholders or other Issuer's/Noteholders' option: [Applicable/Call Option/Put Option/Not applicable] [(further particulars specified below)]
13. Status of the Notes: [Unsubordinated/[Dated/Undated]/Subordinated [(Tier 1 Notes/ Upper Tier 2 Notes / Lower Tier 2 Notes / Tier 3 Notes)]]\*

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Fixed Rate[(s)] of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly/ monthly] in arrear]
- (ii) Fixed Interest Date(s): [ ] in each year
- [Subject to adjustment in accordance with the [name of applicable Business Day Convention] for which the Relevant Business Day is [ ].] or [Not subject to adjustment.]
- (iii) Fixed Coupon Amount[(s)]: [ ] per Calculation Amount
- (iv) Day Count Fraction: [30/360]/[Actual/Actual (ICMA)/Other]/[If neither of these options applies, give details]
- (v) [Initial/Final] Broken Amount(s): [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]
- (vi) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
15. 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/other (give details)]
- (iii) Additional Business Centre(s): [specify/Not Applicable]
- (iv) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]
- (v) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Agent]): [ ]

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\* Add the following language if Board (or similar) authorisation is required for the particular tranche of notes: Date Issuer's Executive Board approval for issuance of Notes obtained: [ ].

- (vi) Screen Rate Determination:
- Reference Rate: [For example, LIBOR or EURIBOR]
  - Interest Determination [ ]  
Date(s): (Indicate Interest Determination Date and specify if the calculation is to be made at the beginning / end of the period.)  
  
[Subject to adjustment in accordance with the [name of applicable Business Day Convention] for which the Relevant Business Day is [ ].] or [Not subject to adjustment.]
  - Relevant Screen Page: [For example, Reuters LIBOR 01/EURIBOR 01]
  - Relevant Time: [For example, 11.00 a.m. London time/Brussels time]
  - Relevant Financial Centre: [For example, London/Euro zone (where Euro-zone means the region comprised of the countries where Lawful Currency is the euro)]
- (vii) ISDA Determination: [ ]
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (viii) Margin(s): [+/-][ ] per cent. per annum
- (ix) Minimum Rate of Interest: [[ ] per cent. per annum/Not Applicable]
- (x) Maximum Rate of Interest: [[ ] per cent. per annum/Not Applicable]
- (xi) Day Count Fraction: [30/360]/[Actual/Actual (ICMA)/Other]/[If neither of these options applies, give details]
- (xii) Fall back provisions, rounding [ ]  
provisions, denominator and  
any other terms relating to the  
method of calculating interest  
on Floating Rate Notes, if  
different from those set out in  
the Conditions:
16. Zero Coupon Note Provisions [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) [Amortisation/Accrual] Yield: [ ] per cent. per annum
  - (ii) Reference Price: [ ]
  - (iii) Any other formula/basis of [ ]  
determining amount payable:
17. Index-Linked Interest Note/Equity-Linked Interest Note/Fund-Linked Interest Note/Credit-Linked Interest Note/Commodity-Linked Interest Note/Currency-Linked Interest Note/Inflation-Linked Interest Note/other Variable Coupon Amount Notes/other Variable Interest Note Provisions: [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Index/Shares/Fund [give or annex details]  
Interest/Currency/Reference  
Entity/formula/other variable:
  - (ii) Name and address of [ ]  
Calculation Agent responsible

for calculating the interest due:

- (iii) Provisions for determining [ ] coupon where calculated by reference to Index/Shares/Fund Interest/Currency/Reference Entity/formula and/or other variable:
  - (iv) Determination Date(s): [ ]
  - (v) Provisions for determining [ ] Coupon where calculation by reference to Index/Shares/Fund Interest/Currency/Reference Entity/formula and/or other variable is impossible or impracticable or otherwise disrupted: *[Need to include a description of Market Disruption or Settlement Disruption Events and adjustment provisions]*
  - (vi) Specified Period(s) /specified [ ] Interest Payment Dates:
  - (vii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
  - (viii) Additional Business Centre(s): *[specify/Not Applicable]*
  - (ix) Minimum Rate of Interest: [[ ] per cent. [per annum] / Not Applicable]
  - (x) Maximum Rate of Interest: [[ ] per cent. [per annum] / Not Applicable]
  - (xi) Day Count Fraction: [ ]
  - (xii) Description of any Market Disruption or Settlement Disruption Events that affect the underlying: [ ]
18. 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) Calculation Agent, if any, [ ] responsible for calculating the principal and/or interest due:
  - (iii) Provisions applicable where [ ] calculation by reference to Rate of Exchange impossible or impracticable:
  - (iv) Person at whose option [ ] Specified Currency(ies) is/are payable:

#### PROVISIONS RELATING TO REDEMPTION

19. Call Option *[Applicable/Not Applicable](If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s) [ ] (Call):
  - (ii) Optional Redemption [ ] per Calculation Amount Amount(s) (Call) of each Note and method, if any, of

calculation of such amount(s):

- (iii) If redeemable in part:
- (a) Minimum Redemption [ ] per Calculation Amount Amount:
- (b) Maximum [ ] per Calculation Amount Redemption Amount:
- (iv) Notice Period (Call) (if other [ ] *[If setting notice periods which are different to those in the than as set out in the terms and conditions, please consider the practicalities of Conditions): distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]*
20. Put Option [Applicable/Not Applicable]*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s) [ ] (Put):
- (ii) Optional Redemption [ ] per Calculation Amount Amount(s) (Put) of each Note and method, if any, of calculation of such amount(s):
- (iii) Notice Period (Put) (if other [ ] *[If setting notice periods which are different to those in the than as set out in the terms and conditions, please consider the practicalities of Conditions): distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]*
21. Final Redemption Amount of each Note [ ] per Calculation Amount/Par/other
- [For Cash-Settled Credit-Linked Notes, specify "**Principal Amount Outstanding**" on the date fixed for redemption, after any adjustment thereto on such date.]*
- (N.B. If the Final Redemption Amount is not 100% of the nominal value the Notes may be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. Where the Final Redemption Amount is linked to the exercise price or the final reference price of an underlying, give details of the exercise price or final reference price.)*

In cases where the Final Redemption Amount is linked to an index, shares, fund interests/currency/reference entity, formula or other variable-linked:

- (i) Index/Shares/Fund Units//Currency/Reference Entity/formula/other variable: *[Indicate, inter alia, the ISIN of the underlying and the exchanges (if any) on which the underlying(s) is (are) listed. If Business Days is to be defined with respect to countries on whose exchanges the underlying(s) is (are) listed, indicate all countries to be taken into account for the purposes of figuring out the Determination Date and other relevant dates.]*
- (ii) Calculation Agent responsible *[give or annex details]* for calculating the Final Redemption Amount
- (iii) *Provisions for determining Final Redemption Amount where calculated by reference to Index/Shares/Fund Interests/Currency/Reference Entity/and/ or Formula and/or*



*other variable:*

- (iv) [Determination Date(s):] [ ]  
[Subject to adjustment in accordance with the *[name of applicable Business Day Convention]* for which the Relevant Business Day is [ ].] or [Not subject to adjustment.]
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index/Shares/Fund Interests/Currency/Reference Entity/ and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ]
- (vi) Payment Date: [ ]  
[Subject to adjustment in accordance with the *[name of applicable Business Day Convention]* for which the Relevant Business Day is [ ].] or [Not subject to adjustment.]
- (vii) Minimum Final Redemption Amount: [ ] per Calculation Amount
- (viii) Maximum Final Redemption Amount: [ ] per Calculation Amount

22. Early Redemption Amount

- (i) Early redemption for taxation reasons and method of calculating the same (if required or if different from that set out in the Conditions): [Applicable/Not Applicable]
- (a) Early Redemption Amount of each Note payable on redemption: [ ] per Calculation Amount
- (b) Method of calculating (if required or if different from that set out in the Conditions): [Applicable/Not Applicable]  
[the Issuer will not pay any additional amount in case of tax changes.]  
[specify other method/arrangements]
- (ii) Early redemption on event of default and method of calculating the same (if required or if different from that set out in the Conditions): [Applicable/Not Applicable]
- (a) Early Redemption Amount of each Note payable on redemption: [ ] per Calculation Amount
- (b) Method of calculating (if required or if different from that set out in the Conditions): [Applicable/Not Applicable]  
[The Early Redemption Amount will be determined by the Calculation Agent. An amount shall be determined by the Calculation Agent on the Early Redemption Date in its absolute discretion (acting reasonably) to have the effect of preserving for the Noteholder the economic equivalent of the obligations of the Issuer under the Notes (including, but not limited to, taking into consideration the obligation of the Issuer to make payments of interest under the Notes and the cost to the Issuer of

unwinding any contractual or swap arrangements.

For the purposes of determining the Early Redemption Amount, the Calculation Agent shall, for avoidance of doubt, act as an independent expert and not as an agent for the Issuer or the Noteholders.

All determinations and calculations shall be made by the Calculation Agent at its sole discretion, in good faith, acting reasonably and on an arm's length basis. All such calculations so made shall be final and binding (save in the case of manifest error) on the Issuer, the Agents and the Noteholders.

The Calculation Agent shall have no liability in relation to the determinations or calculations provided herein, except in the case of wilful default or bad faith.]

[specify other method/arrangements]

- (iii) Early redemption for illegality or other reasons (specify) and/or the method of calculating the same (if required or if different from that set out in the Conditions): [Applicable/Not Applicable]

- (a) Early Redemption [ ] per Calculation Amount  
Amount of each Note payable on redemption:

- (b) Method of calculating [Applicable/Not Applicable]  
(if required or if different from that set out in the Conditions): [specify method/arrangements]

## INDEX-LINKED NOTE PROVISIONS

23. **Index-Linked Note Provisions** [Applicable/Not Applicable]

[If "Not Applicable" delete remaining sections of this paragraph]

[The following provisions in items (i) to (xix) apply to Notes linked to a single index only (delete all of these items if not applicable):]

- (i) Additional Disruption Event: [None/Specify]
- (ii) Averaging Dates: [specify dates or delete if not applicable]
- (iii) Barrier Level: [[●] per. cent of Initial Index Level (or delete if not applicable)]
- (iv) Business Day: [ ]
- (v) Business Day Convention: [ ]
- (vi) Constant Monitoring: [specify as applicable and delete "Valuation Time Only" below, or delete if not applicable]
- (vii) Exchange(s): [specify relevant exchange if "Non-Multi Exchange Index" is specified below, otherwise delete]
- (viii) Expiration Date: [specify date or delete if not applicable]
- (ix) Final Index Level: [specify if the fallback provisions in Schedule 1 are not

*applicable, or delete if not applicable]*

- (x) Index: [specify]
- (xi) Initial Index Level: [specify the Index Level or delete if not applicable]
- (xii) Multi-Exchange Index: [Yes/No]
- (xiii) Observation Date(s): [specify or delete if not applicable]
- (xiv) Observation Period: [The period from and including [the Issue Date/the Strike Date/[●]] to and including [the Expiration Date/[●]] [or delete if not applicable]
- (xv) Strike Date: [specify or delete if not applicable]
- (xvi) Strike Price: [specify or delete if not applicable]
- (xvii) Valuation Date(s): [ ]
- (xviii) Valuation Time: [ ]
- (xix) Other Terms: [insert any other relevant terms]

*[The following provisions in items (i) to (xviii) apply to Notes linked to a basket of indices only (delete all of these items if not applicable):]*

- (i) Additional Disruption Event: [None] [Specify]
- (ii) Averaging Dates: [specify dates or delete if not applicable]
- (iii) Barrier Level: [[●] per. cent of Initial Index Level (or delete if not applicable)]
- (iv) Basket/Weight: [specify names of Indices and their respective weightings]  
[indicate which are Multi-Exchange Indices and which are Non Multi-Exchange Indices]
- (v) Business Day: [ ]
- (vi) Business Day Convention: [ ]
- (vii) Constant Monitoring: [specify as applicable and delete "Valuation Time Only" below, or delete if not applicable]
- (viii) Exchange(s): [specify relevant exchange if "Non-Multi Exchange Index" is specified below, otherwise delete]
- (ix) Expiration Date: [specify date or delete if not applicable]
- (x) Final Index Level: [ ]
- (xi) Initial Index Level: [specify the Index Level or delete if not applicable]
- (xii) Observation Date(s): [specify date or delete if not applicable]
- (xiii) Observation Period: [The period from and including [the Issue Date/the Strike Date/[●]] to and including [the Expiration Date/[●]] [or delete if not applicable]
- (xiv) Strike Date: [specify or delete if not applicable]
- (xv) Strike Price: [specify or delete if not applicable]
- (xvi) Valuation Date(s): [ ]
- (xvii) Valuation Time: [ ]
- (xviii) Other Terms: [insert any other relevant terms]

## **EQUITY-LINKED NOTE PROVISIONS**

## 24. Equity-Linked Note Provisions

[Applicable/Not Applicable]

*[If "Not Applicable" delete remaining sections of this paragraph]*

*[The following provisions in items (i) to (xxi) apply to Notes linked to a single share only (delete all of these items if not applicable)]*

- (i) Additional Disruption Event: [specify]
- (ii) Averaging Dates: [specify dates or delete if not applicable]
- (iii) Barrier Level: [[●] per. cent of Initial Share Price (or delete if not applicable)]
- (iv) Business Day: [ ]
- (v) Constant Monitoring: [specify as applicable and delete "Valuation Time" below, or delete if not applicable]
- (vi) Exchange: [specify]
- (vii) Expiration Date: [specify date or delete if not applicable]
- (viii) Final Share Price: [specify if the fallback provisions in Schedule 3 are not applicable, or delete if not applicable]
- (ix) Initial Share Price: [specify if the fallback provisions in Schedule 3 are not applicable, or delete if not applicable]
- (x) Observation Date(s): [specify date(s) or delete if not applicable]
- (xi) Observation Period: [The period from and including [the Issue Date/the Strike Date/[●]] to and including [the Expiration Date/[●]] [or delete if not applicable]
- (xii) Share Amount: [specify formula or delete if not applicable]
- (xiii) Share Currency: [specify]
- (xiv) Share Delivery: [specify as applicable or delete if not applicable]  
*[if applicable, specify in which circumstances share delivery may occur (e.g. at the option of the Issuer; if share price reaches certain level, etc.)]*
- (xv) Share Delivery Date: [[specify date], subject to Paragraph 5(i) of Schedule 3 (Equity Linked Notes (Single Share)) and, if such day is not a Delivery Day, the first succeeding Delivery Day] (or delete if not applicable)]
- (xvi) Share Issuer: [specify]
- (xvii) Shares: [provide name and short description of type of shares issued by the Share Issuer]  
(ISIN: [●])  
(Bloomberg Code: [●])
- (xviii) Strike Date: [specify or delete if not applicable]
- (xix) Strike Price: [specify or delete if not applicable]
- (xx) Valuation Time Only: [specify as applicable and delete "Constant Monitoring" above, or delete if not applicable]
- (xxi) Other Terms: [Insert any other relevant terms]

*[The following provisions at items (i) to (xxi) apply to Notes linked to a Basket*

of Shares only (delete all of these items if not applicable):]

- (i) Additional Disruption Event: [specify]
- (ii) Averaging Dates: [specify dates or delete if not applicable]
- (iii) Barrier Level: [[●] per. cent of Initial Share Price (or delete if not applicable)]
- (iv) Basket: "Basket" means a basket composed of Shares in the relative [proportions/numbers of Shares] of each Share Issuer specified below:  
  
[Insert details of:  
\* Share Issuer  
\* [Proportion/number of Shares]  
\* ISIN number  
\* Exchange  
\* Bloomberg Code]
- (v) Business Day: [ ]
- (vi) Constant Monitoring: [specify as applicable and delete "Valuation Time Only" below or delete if not applicable]
- (vii) Expiration Date: [specify date or delete if not applicable]
- (viii) Final Share Price: [specify if the fallback provisions in Schedule 4 are not applicable, or delete if not applicable]
- (ix) Initial Share Price: [specify if the fallback provisions in Schedule 4 are not applicable, or delete if not applicable]
- (x) Observation Date(s): [specify date(s) or delete if not applicable]
- (xi) Observation Period: [The period from and including [the Issue Date/the Strike Date/[●]] to and including [the Expiration Date/[●]] [or delete if not applicable]
- (xii) Share Amount: [specify formula or delete if not applicable]
- (xiii) Share Currency: [specify]
- (xiv) Share Delivery: [specify as applicable or delete if no applicable]  
  
[if applicable, specify in which circumstances share delivery may occur (e.g. at the option of the Issuer; if share price reaches certain level, etc.)]
- (xv) Share Delivery Date: [[specify date], subject to Paragraph 5(i) of Schedule 4 (Basket of Notes) and, if such day is not a Delivery Day, the first succeeding Delivery Day] (or delete if not applicable)]
- (xvi) Share Issuer: [specify]
- (xvii) Shares: [provide name and a short description of type of shares issued by the Share Issuer]  
  
(ISIN: [●])
- (xviii) Strike Date: [specify or delete if not applicable]
- (xix) Strike Price: [specify or delete if not applicable]
- (xx) Valuation Time Only: [specify as applicable and delete "Constant Monitoring" above or delete if not applicable]

(xxi) Other Terms: [insert any other relevant terms]

## FUND-LINKED NOTE PROVISIONS

25. Fund-Linked Note Provisions: [Not Applicable/Applicable]

[If "Not Applicable" delete remaining sections of this paragraph]

*The following provisions at items (i) to (xlix) apply to Notes linked to a single fund interests only (delete all of these items if not applicable).*

- |       |                                      |       |                                       |
|-------|--------------------------------------|-------|---------------------------------------|
| (i)   | Additional Document(s):              | Fund  | [specify or delete if not applicable] |
| (ii)  | Additional Fund Service Provider(s): |       | [specify or delete if not applicable] |
| (iii) | Additional Type 1 Fund Event:        |       | [specify or delete if not applicable] |
| (iv)  | Additional Type 1 Hedge Fund Event:  |       | [specify or delete if not applicable] |
| (v)   | Additional Type 2 Fund Event:        |       | [specify or delete if not applicable] |
| (vi)  | Automatic Redemption:                | Early | [Applicable][Not Applicable]          |

[If Applicable:

Automatic Early Redemption Amount: [Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[Not Applicable, delete]

Automatic Early Redemption Date: [ ]

Automatic Early Redemption Event: [Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[Not Applicable, delete]

Automatic Early Redemption Price: [ ]

Automatic Early Redemption Rate: [ ]

Automatic Early Redemption Valuation Date: [ ]

Automatic Early Redemption Valuation Time: [Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[Not Applicable, delete]

(vii) Averaging Date: [specify or delete if not applicable]

(viii) Company: [specify or delete if not applicable]

(ix) Cut-off Period: [Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[Not Applicable, delete]

(x) Eligible Fund Interest: [specify or delete if not applicable]

(xi) ETF and Exchange: [Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[Not Applicable, delete]

(xii) Extraordinary Dividend: [Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[Not Applicable, delete]

		applicable]/[ <i>Not Applicable, delete</i> ]
(xiii)	Final Cut-off Date:	[ <i>specify or delete if not applicable</i> ]
(xiv)	Fund Administrator:	[ <i>Specify, if the fallback provisions are not applicable</i> ]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[ <i>Not Applicable, delete</i> ]
(xv)	Fund Adviser:	[ <i>Specify, if the fallback provisions are not applicable</i> ]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[ <i>Not Applicable, delete</i> ]
(xvi)	Fund Business Day:	[ <i>Specify, if the fallback provisions are not applicable</i> ]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[ <i>Not Applicable, delete</i> ]
(xvii)	Fund Custodian:	[ <i>Specify, if the fallback provisions are not applicable</i> ]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[ <i>Not Applicable, delete</i> ]
(xviii)	Fund Interest:	[   ] [ <i>specify ISIN (if any) and Bloomberg page (if any)</i> ]
(xix)	Fund Interest Performance:	[ <i>specify or delete if not applicable</i> ]
(xx)	Fund Interest Units:	[   ]
(xxi)	Fund Subscription Date:	[ <i>Specify, if the fallback provisions are not applicable</i> ]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[ <i>Not Applicable, delete</i> ]
(xxii)	Hedge Fund:	[ <i>Specify, if the fallback provisions are not applicable</i> ]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[ <i>Not Applicable, delete</i> ]
(xxiii)	Hypothetical Investor:	[ <i>Specify, if the fallback provisions are not applicable</i> ]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[ <i>Not Applicable, delete</i> ]
(xxiv)	Hypothetical Investor Jurisdiction:	[ <i>Specify, if the fallback provisions are not applicable</i> ]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[ <i>Not Applicable, delete</i> ]
(xxv)	Initial Fund Interest Unit Price:	[ <i>Specify, if the fallback provisions are not applicable</i> ]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[ <i>Not Applicable, delete</i> ]
(xxvi)	Key Personnel:	[ <i>specify or delete if not applicable</i> ]
(xxvii)	Knock-in Event:	[Applicable]/[Not Applicable]
		<i>If Applicable:</i>
		Knock-in Determination Day: [ <i>Specify, if the fallback provisions are not applicable</i> ]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[ <i>Not Applicable, delete</i> ]
		Knock-in Price: [   ]
		Knock-in Reference Asset: [ <i>Specify, if the fallback provisions are not applicable</i> ]/[Fallback provisions in Schedule 5 are applicable]/[ <i>Not Applicable, delete</i> ]
		Knock-in Valuation Time: [ <i>Specify, if the fallback provisions are not applicable</i> ]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[ <i>Not Applicable, delete</i> ]
(xxviii)	Knock-out Event:	[Applicable]/[Not Applicable]
		<i>If Applicable:</i>
		Knock-out Determination Day: [ <i>specify if the fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are not</i> ]

*applicable, or delete if not applicable]*

Knock-out Price: [ ]

Knock-out Reference Asset: *[specify if the fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are not applicable, or delete if not applicable]*

Knock-out Valuation Time: *[specify if the fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are not applicable, or delete if not applicable]*

- |           |   |   |
|-----------|---|---|
| (xxix)    | Maximum Allocation to Single Hedge Fund Percentage:     | <i>[specify or delete if not applicable]</i>  |
| (xxx)     | Maximum Borrowing Allocation Percentage:                | <i>[specify or delete if not applicable]</i>  |
| (xxxi)    | Maximum Quarterly Plus Liquidity Allocation Percentage: | <i>[specify or delete if not applicable]</i>  |
| (xxxii)   | Minimum Monthly Liquidity Allocation Percentage:        | <i>[specify or delete if not applicable]</i>  |
| (xxxiii)  | Minimum Number of Underlying Hedge Funds:               | <i>[specify or delete if not applicable]</i>  |
| (xxxiv)   | Minimum Volatility Percentage:                          | <i>[specify or delete if not applicable]</i>  |
| (xxxv)    | NAV Trigger Percentage:                                 | <i>[specify or delete if not applicable]</i>  |
| (xxxvi)   | NAV Trigger Period:                                     | <i>[specify or delete if not applicable]</i>  |
| (xxxvii)  | Protected Amount:                                       | <i>[specify or delete if not applicable]</i>  |
| (xxxviii) | Redemption Notice Date:                                 | <i>[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[Not Applicable, delete]</i> |
| (xxxix)   | Reference Price:  | <i>[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[Not Applicable, delete]</i> |
| (xl)      | Relevant Fund Interest Unit Price:                      | <i>[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[Not Applicable, delete]</i> |
| (xli)     | Scheduled Redemption Payment Date:                      | <i>[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[Not Applicable, delete]</i> |
| (xlii)    | Settlement Cycle:                                       | <i>[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[Not Applicable, delete]</i> |
| (xliii)   | Strike Date:  | <i>[specify or delete if not applicable]</i>  |
| (xliv)    | Strike Price:   | <i>[specify or delete if not applicable]</i>  |
| (xlv)     | Subscription Notice Date:                               | <i>[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[Not Applicable, delete]</i> |
| (xlvi)    | Type 1 Hedge Fund Event:                                | <i>[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[Not Applicable, delete]</i> |
| (xlvii)   | Valuation Date(s):                                      | [ ]   |



(xlviii) Valuation Time: [Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 5 (Fund Linked Notes (Single Fund)) are applicable]/[Not Applicable, delete]

(xlix) Other terms / modifications: [insert any other relevant terms]

*The following provisions at items (i) to (liii) apply to Notes linked to a basket of fund interests only (delete all of these items if not applicable).*

(i) Additional Document(s): Fund [specify or delete if not applicable]

(ii) Additional Fund Service Provider(s): [specify or delete if not applicable]

(iii) Additional Type 1 Fund Event: [specify or delete if not applicable]

(iv) Additional Type 1 Hedge Fund Event: [specify or delete if not applicable]

(v) Additional Type 2 Fund Event: [specify or delete if not applicable]

(vi) Aggregate NAV Trigger Period: [specify or delete if not applicable]

(vii) Aggregate NAV Trigger Value: [specify or delete if not applicable]

(viii) Automatic Early Redemption: [Applicable][Not Applicable]

[If Applicable:

Automatic Early Redemption Amount: [Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]

Automatic Early Redemption Date: [ ]

Automatic Early Redemption Event: [Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]

Automatic Early Redemption Price: [ ]

Automatic Early Redemption Rate: [ ]

Automatic Early Redemption Valuation Date: [ ]

Automatic Early Redemption Valuation Time: [Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]

(ix) Averaging Date: [specify or delete if not applicable]

(x) Basket: A basket composed of Fund Interests in the relative proportions or numbers of Fund Interest Units specified below:

Fund	Fund Interest	Fund Interest Unit (if other than a share)	Proportion / number of Fund Interest Units	ISIN (if any) and Bloomberg page (if any)	Exchange (if any)
------	---------------	--	--	---	-------------------

(xi) Company: [specify or delete if not applicable]

(xii)	Cut-off Period:	[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
(xiii)	Eligible Fund Interest:	[specify or delete if not applicable]
(xiv)	ETF and Exchange:	[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests))are applicable]/[Not Applicable, delete]
(xv)	Extraordinary Dividend:	[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
(xvi)	Final Cut-off Date:	[specify or delete if not applicable]
(xvii)	Fund Administrator:	[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
(xviii)	Fund Adviser:	[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
(xix)	Fund Business Day:	[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
(xx)	Fund Custodian:	[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
(xxi)	Fund Interest:	See "Basket" above
(xxii)	Fund Interest Performance:	[specify or delete if not applicable]
(xxiii)	Fund Interest Units:	See "Basket" above
(xxiv)	Fund Subscription Date:	[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 are applicable]/[Not Applicable, delete]
(xxv)	Hedge Fund:	[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
(xxvi)	Hypothetical Investor:	[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
(xxvii)	Hypothetical Investor Jurisdiction:	[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
(xxviii)	Initial Fund Interest Unit Price:	[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
(xxix)	Key Personnel:	[specify or delete if not applicable]
(xxx)	Knock-in Event:	[Applicable]/[Not Applicable]

[If Applicable:

Knock-in Determination Day: [Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]

Knock-in Price: [   ]

Knock-in Reference Asset: [Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund

		Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
		Knock-in Valuation Time: [Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
(xxxii)	Knock-out Event:	[Applicable]/[Not Applicable]
		[If Applicable:
		Knock-out Determination Day: [Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
		Knock-out Price: [ ]
		Knock-out Reference Asset: [Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
		Knock-out Valuation Time: [Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
(xxxii)	Maximum Allocation to Single Hedge Fund Percentage:	[specify or delete if not applicable]
(xxxiii)	Maximum Borrowing Allocation Percentage:	[specify or delete if not applicable]
(xxxiv)	Maximum Quarterly Plus Liquidity Allocation Percentage:	[specify or delete if not applicable]
(xxxv)	Minimum Monthly Liquidity Allocation Percentage:	[specify or delete if not applicable]
(xxxvi)	Minimum Number of Underlying Hedge Funds:	[specify or delete if not applicable]
(xxxvii)	Minimum Volatility Percentage:	[specify or delete if not applicable]
(xxxviii)	NAV Trigger Percentage:	[specify or delete if not applicable]
(xxxix)	NAV Trigger Period:	[specify or delete if not applicable]
(xl)	Number of Fund Interest Units:	[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
(xli)	Protected Amount:	[specify or delete if not applicable]
(xlii)	Redemption Notice Date:	[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
(xliii)	Reference Price:	[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
(xliv)	Relevant Fund Interest Unit Price:	[Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]

- (xlv) Scheduled Redemption Payment Date: [Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
- (xlvi) Settlement Cycle: [Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
- (xlvii) Strike Date: [specify or delete if not applicable]
- (xlviii) Strike Price: [specify or delete if not applicable]
- (xlix) Subscription Notice Date: [Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
- (l) Type 1 Hedge Fund Event: [Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
- (li) Valuation Date(s): [ ]
- (lii) Valuation Time: [Specify, if the fallback provisions are not applicable]/[Fallback provisions in Schedule 6 (Fund Linked Notes (Basket of Fund Interests)) are applicable]/[Not Applicable, delete]
- (liii) Other terms / modifications: [insert any other relevant terms]

#### CREDIT-LINKED NOTE PROVISIONS

26. **Credit-Linked Note Provisions:** [Not Applicable/Applicable]  
[If "Not Applicable" delete remaining sections of this paragraph]
- (i) First-to-Default Credit-Linked Notes with Physical Settlement [Schedule 7 (First-to-Default Credit-Linked Notes) shall apply / Not Applicable]  
[specify all the relevant data of the CDS Confirmation and review and amend Schedule 7 (First-to-Default Credit-Linked Notes) as applicable]
- (ii) First-to-Default Credit-Linked Notes with Cash Settlement [Schedule 8 (First-to-Default Credit-Linked Notes with cash settlement) ( shall apply / Not Applicable)]  
[specify all the relevant data of the CDS Confirmation and review and amend Schedule 8 (First-to-Default Credit-Linked Notes with cash settlement) as applicable]
- (iii) Credit-Linked Notes with a static portfolio of reference entities as underlying [Schedule 9 (Credit-Linked Notes with a Static Portfolio of Reference Entities as Underlying) shall apply / Not Applicable]  
[specify all the relevant data of the CDS Confirmation including the Reference Portfolio and review and amend Schedule 9 as applicable]

#### COMMODITY-LINKED NOTE PROVISIONS

27. **Commodity-Linked Note Provisions:** [Applicable/Not Applicable] [give detail]

#### CURRENCY-LINKED NOTE PROVISIONS

28. **Currency-Linked Note Provisions:** [Applicable/Not Applicable] [give detail]

#### INFLATION-LINKED NOTE PROVISIONS

29. **Inflation-Linked Note Provisions:** [Not Applicable/Applicable]  
[If "Not Applicable" delete remaining sections of this paragraph]

- |        |                                |   |
|--------|--------------------------------|---|
| (i)    | Index :                        | [specify]   |
| (ii)   | Index Sponsor:                 | [specify]   |
| (iii)  | Related Bond:                  | [specify or delete if not applicable]   |
| (iv)   | Issuer of Related Bond:        | [specify or delete if not applicable]   |
| (v)    | Related Bond Redemption Event: | [specify or delete if not applicable]   |
| (vi)   | Averaging Date:                | [specify or delete if not applicable]   |
| (vii)  | Observation Date:              | [specify or delete if not applicable]   |
| (viii) | Expiration Date:               | [specify]   |
| (ix)   | Strike Date:                   | [specify]   |
| (x)    | Strike Price                   | [specify]   |
| (xi)   | Observation Period:            | [specify or delete if not applicable]   |
| (xii)  | First Publication:             | [specify or delete if not applicable]   |
| (xiii) | Substitute Index Level:        | [As determined in accordance with Condition 7(l)] [other]   |
| (xiv)  | Cut-Off Date:                  | In respect of a Determination Date, the day that is [*] Business Days prior to such Determination Date. |
| (xv)   | Business Day Convention:       | [specify]   |

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

30. Form of Notes: [Bearer form / registered form]
- [Temporary Global Note exchangeable for a Permanent Global Note which is [not] exchangeable for Definitive Notes [on [ ] days' notice/at any time/ in the limited circumstances specified in the Permanent Global Note].] [Temporary Global Note exchangeable for Definitive Notes on [ ] days' notice.]
- [Permanent Global Note [not] exchangeable for Definitive Notes [on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note].]
- [Global Certificate [not] exchangeable for Individual Certificates [on [ ] days' notice/at any time/in the limited circumstances specified in the Global Certificate].]
- (N.B. The exchange at any time/on [ ] days' should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6(i) 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)*
31. New Global Note: [Yes/No] [(If "No" is specified, ensure that "Not Applicable" is specified for Euro system eligibility in the relevant paragraph of section 10 of Part B of these Final Terms, and if "Yes" is specified, ensure that the appropriate specification is made thereto in respect of Euro system eligibility.)]
32. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details. Note that this item relates to the definition of "Relevant Financial Centre Day" (Condition 8(i)(i)), which relates to date and place of payment and not to interest period end dates, to which items 14(ii), 15(iii) and 17(viii) relate].

33. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
34. 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 (if any) 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: Euroclear Netherlands does not accept Partly Paid Notes)*
35. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/*give details*] *(With respect to dates, indicate whether they are subject to adjustment in accordance with the applicable Business Day Convention)*
36. Consolidation provisions: [Not Applicable/The provisions annexed to these Final Terms apply]
37. Other terms or special conditions: [Not Applicable/*give details*] *(When adding any other final terms, consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)*

## DISTRIBUTION

*[In the left hand column under "Distribution" the words in square brackets should be included in retail issues only]*

38. (i) If syndicated, names [and addresses] of Managers [and underwriting commitments]: [Not Applicable/*give names [and for retail issues only, and addresses and underwriting commitments] (include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers)*]
- (ii) Stabilising Manager (if any): [Not Applicable/*give name*]
- [(iii) Date of Subscription Agreement: [ ]]
39. If non-syndicated, name and address of Dealer: [Not Applicable/*give name and address*]
40. Total commission and concession: [ ] per cent of the Aggregate Nominal Amount of Tranche
41. Additional selling restrictions: [Not Applicable/*give details*]
42. Applicable TEFRA exemption for the Notes whilst in Global Form: [C Rules/D Rules/*not applicable*]
43. Non-exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [*specify, if applicable*]] other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported*] ("**Public Offer Jurisdictions**") during the period from [*specify date*] until [*specify date*] ("**Offer Period**"). (See further Paragraph 11 of Part B below).]
44. Delivery Agent: [Not Applicable/*give details*]

**ADMISSION TO TRADING**

These Final Terms comprise the final terms required for issue and public offer in the Public Offer Jurisdiction and to list and have admitted to trading the Notes described herein pursuant to the EUR 40,000,000,000 Debt Issuance Programme of Fortis Bank (Nederland) N.V.

## RESPONSIBILITY

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

[[ ] has been extracted from [ ]. 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 (*not required where Notes will not be admitted to trading on a regulated market and/or offered to the public in the European Economic Area*).]\*\*.

Signed on behalf of Fortis Bank (Nederland) N.V.:

By:

*Duly authorised*

Title:

By:

*Duly authorised*

Title:

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\*\* Include where any information sourced from a third party has been reproduced, and provide necessary details.



## PART B – OTHER INFORMATION

*[For Notes which are not to be admitted to trading on a regulated market and/or offered to the public in the European Economic Area only parts 1(i), 1(ii), 5(ii) and the paragraph under “Operational Information” should be included in “Part B – Other Information”]*

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing [Official list of the Luxembourg Stock Exchange / Euronext Amsterdam by NYSE Euronext/ Other(*specify*)/None]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Luxembourg Stock Exchange/Euronext Amsterdam by NYSE Euronext/Other(*specify*)] with effect from [ ].]
- [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Luxembourg Stock Exchange/ Euronext Amsterdam by NYSE Euronext/Other(*specify*)] with effect from [ ].]
- [Not Applicable.]
- [(For retail issues only – where documenting a fungible issue need to indicate that original securities are already admitted to trading.)]
- (iii) [Estimate of total expenses related to [ ] *[For a wholesale issue only]*]
- (iv) Trading basis: [The Notes are expected to be admitted to trading on Euronext Amsterdam on AIW basis on [ ] / Not Applicable]

### 2. RATINGS

- Ratings: The Notes to be issued have been/will be rated:
- [S & P: [ ]]
- [Moody's: [ ]]
- [Fitch: [ ]]
- [[Other]: [ ]]
- [For retail issues only, need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*
- (i) the above mentioned ratings are the credit ratings assigned to the Programme: [Yes / No]
- (ii) the above mentioned ratings are specific credit ratings only assigned to this Tranche of Notes: [Yes / No]

### 3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

*Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement: “Save as discussed in “Subscription and Sale”, so far as the Issuer is aware, no person involved in the offer of Notes has an interest material to the offer”.*

*(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 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:

[ ].

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

[(iii)] Estimated total expenses:

[ ].

*[Include breakdown of expenses.]*

*(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

#### 5. Fixed Rate Notes only – YIELD

*(only for Fixed Rate Notes, not relevant for Fixed to Floating Rate Notes or for Fixed to Variable Coupon Amount Notes or for variable redemption Notes).*

Indication of yield:

[ ].

*Calculated as [include details of method of calculation in summary form] on the Issue Date.*

*As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]*

#### 6. [Floating Rate Notes only – HISTORIC INTEREST RATES [Include Item 6 for a retail issue only]

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

7. *[Index-Linked, Equity-Linked, Fund-Linked, Commodity-Linked, Credit-Linked, Currency-Linked, Inflation-Linked or other Variable Coupon Amount Notes only –* **PERFORMANCE OF INDEX/FORMULA/SHARES/REFERENCE ENTITY/FUND-UNIT/OTHER VARIABLE**, *[required for retail issues only –* **EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS] AND OTHER INFORMATION CONCERNING THE UNDERLYING** *(To be included for derivative securities to which Annex XII to the Prospectus Directive Regulation applies):*

*Need to include details of where past and future performance and volatility of the index/formula/shares/reference entity/fund unit/other variable can be obtained [and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident] (text in square brackets not required for wholesale issues). [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 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 Prospectus under Article 16 of the Prospectus Directive.)]*

- (i) [Name of index/share] [specify]
- (ii) [Description of index (if composed by Issuer)/share:] [specify]
- (iii) [Information on index (if not composed by Issuer)/share:] [specify]
- (iv) Estimated net proceeds: [•].  
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)
- (v) Estimated total expenses: [•]  
[Include breakdown of expenses.]  
(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies or are wholesale Notes, it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information (including information about corporate actions or other events affecting the underlying and adjustments or substitutions to the underlying resulting therefrom), except if required by any applicable laws and regulations].

## **8. [Dual Currency Notes only – 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 rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.*

*(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 Prospectus under Article 16 of the Prospectus Directive.)]*

## **9. [Derivatives only - OTHER INFORMATION CONCERNING THE SECURITIES TO BE [OFFERED]/[ADMITTED TO TRADING]]**

- Name of issuer of the underlying security/securities: [•]
- ISIN Code: [•]
- Underlying interest rate: [•]
- Relevant weightings of each underlying in the basket: [•]
- Adjustment rules with relation to events concerning the underlying: [•]
- Place where information relating to the [underlying]/[Index]/[Indices] can be obtained: [•]
- Name and address of entities which have a firm commitment to act as intermediaries in secondary trading: [•]
- Details of any market disruption/settlement disruption events affecting the underlying: [•]

Exercise price/final reference price of underlying: [•]

Details of how the value of investment is affected by the value of the underlying instrument(s): [•]

Details of settlement procedure of derivative securities: [•]

Details of how any return on derivative securities takes place, payment or delivery date, and manner of calculation: [•]

Details of any post-issuance information relating to the underlying to be provided and where such information can be obtained: [•]

## 10. OPERATIONAL INFORMATION

ISIN Code: [ ]

Common Code: [ ]

NSCNL Code [ ]

Other relevant code [ ]

New Global Note intended to be held in a manner which would allow Euro system eligibility: [Not Applicable\*\*/Yes/No]

[Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Euro system monetary policy and intra-day credit operations by the Euro system either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Euro system eligibility criteria.][Include this text if "Yes" selected in which case the Notes must be issued in NGN form]

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/Euroclear Netherlands/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [ ]

Name and address of Calculation Agent: [ ]

## 11. TERMS AND CONDITIONS OF THE OFFER

Offer Price: [Issue Price][specify]

Conditions to which the offer is subject: [Not Applicable/give details]

Description of the application process:

*[Not Applicable/give details]*

*(Specify the manner chosen by the Issuer to publish the Base Prospectus and the Final Terms.)*

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: *[Not Applicable/give details]*

Details of the minimum and/or maximum amount of application: *[Not Applicable/give details]*

Details of the method and time limits for paying up and delivering the Notes: *[Not Applicable/give details]*

Manner in and date on which results of the offer are to be made public: *[Not Applicable/give details]*

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: *[Not Applicable/give details]*

Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries: *[Not Applicable/give details]*

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: *[Not Applicable/give details]*

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: *[Not Applicable/give details]*

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: *[None/give details]*

## FORM OF FINAL TERMS FOR CAPITAL SECURITIES

Final Terms dated [ ]

### Fortis Bank (Nederland) N.V.

*(incorporated with limited liability under the laws of The Netherlands, having its registered office in Amsterdam, per address Prins Bernhardplein 200, 1097JB Amsterdam, The Netherlands, and registered with the Dutch Registry of the Chamber of Commerce and Industry for Amsterdam under Number 30080248)*

### Issue of [Aggregate Nominal Amount of Tranche] [Title of Capital Securities] under the EUR 40,000,000,000 Debt Issuance Programme

#### PART A – CONTRACTUAL TERMS

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

- (i) in circumstances in which no obligation arises for the Issuer any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 37 of Part A below, provided such person is one of the persons mentioned in Paragraph 37 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Capital Securities in any other circumstances].<sup>3</sup>

[The Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Capital Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Capital Securities. Accordingly any person making or intending to make an offer in that Relevant Member State of the Capital Securities may only do so in circumstances in which no obligation arises for the Issuer any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Capital Securities in any other circumstances].<sup>4</sup>

#### [START OF OPTIONS]

**Option 1** *(The following paragraphs should only be inserted for issues to be admitted to trading on a regulated market and/or offered to the public in the European Economic Area other than pursuant to an exemption contemplated in Article 3(2) of the Prospectus Directive):*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Capital Securities (the "**Conditions**") set forth in the Base Prospectus dated 6 November 2009 [and the supplement to the Base Prospectus dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (*Directive 2003/71/EC*) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Capital Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented] (together, the "**Base Prospectus**").

Full information on the Issuer and the Capital Securities described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at the [website of the [Luxembourg Stock Exchange] [and] [Euronext Amsterdam]] and copies may be obtained from the

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<sup>3</sup> Include this legend where a non-exempt offer of Capital Securities, within the meaning of Article 3 of the Prospectus Directive is anticipated.

<sup>4</sup> Include this legend where only an exempt offer of Capital Securities, within the meaning of Article 3 of the Prospectus Directive is anticipated.

Issuer at Prins Bernhardplein 200, 1097JB Amsterdam, The Netherlands, and the Paying Agents, BGL BNP Paribas SA at 50 Avenue J.F. Kennedy, L-2951 Luxembourg and Fortis Bank (Nederland) N.V. at Rokin 55, 1012 KK Amsterdam, The Netherlands.

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

[Terms used herein shall be deemed to be defined as such for the purposes of the [date] Terms and Conditions of the Capital Securities (the "**Conditions**") incorporated by reference in the Base Prospectus dated [original date] [and the supplement to the Base Prospectus dated [•]]. This document constitutes the Final Terms of the Capital 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] [and the supplement to the Base Prospectus dated [•]] (together, the "**Base Prospectus**"), which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive.

Full information on the Issuer and the Capital Securities described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at the [website of the [Luxembourg Stock Exchange] [and] [Euronext Amsterdam]] and copies may be obtained from the Issuer at Prins Bernhardplein 200, 1097JB Amsterdam, The Netherlands, and the Paying Agents, BGL BNP Paribas SA at 50 Avenue J.F. Kennedy, L-2951 Luxembourg and Fortis Bank (Nederland) N.V. at Rokin 55, 1012 KK Amsterdam, The Netherlands.

**Option 2** *(The following paragraphs should only be inserted for issues of Capital Securities which are not to be admitted to trading on a regulated market and/or offered to the public in the European Economic Area other than pursuant to an exemption contemplated in Article 3(2) of the Prospectus Directive):*

This document constitutes the Final Terms relating to the issue of Capital Securities described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Capital Securities (the "**Conditions**") set forth in the Base Prospectus dated 6 November 2009 [and the supplement to the Base Prospectus dated [•]]. These Final Terms must be read in conjunction with such Base Prospectus [and the supplement to the Base Prospectus dated [•]].

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.*

[Terms used herein shall be deemed to be defined as such for the purposes of Terms and Conditions of the Capital Securities (the "**Conditions**") [incorporated by reference] [set forth] in the Base Prospectus dated [original date]. These Final Terms must be read in conjunction with the Base Prospectus dated [current date] [and the supplement to the Base Prospectus dated [•]], [save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] and are attached hereto].]

#### **[END OF OPTIONS]**

*Unless stated otherwise, include all the items listed in Part A – Contractual Terms of these Final Terms in connection with all Capital Securities. References in the drafting notes to retail issues are to issues of Capital Securities with a denomination of less than EUR 50,000 to be admitted to trading on a regulated market and/or offered to the public and references to wholesale issues are to issues of Capital Securities with a denomination of at least EUR 50,000 to be admitted to trading on a regulated market.*

*[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. Italics denote guidance for completing the Final Terms.]*

*[When completing any final terms, or 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 Prospectus under Article 16 of the Prospectus Directive.]*

1. Issuer: Fortis Bank (Nederland) N.V.

2. [(i)] Series Number: [ ]

[(ii)] Tranche Number: [ ]

(If fungible with an existing Series, details of that Series, including the date on which the Capital Securities become fungible).]

3. Specified Currency or Currencies: [ ]

4. Aggregate Nominal Amount [of *only include the words in the left column that are in square brackets for wholesale issues*]  
Capital Securities admitted to trading]:
- [(i)] Series: [ ]
- [(ii)] Tranche: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (*in the case of fungible issues only, if applicable*)]
6. (i) Specified Denominations: [ ]
- [EUR 50,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 99,000. No Capital Securities in definitive form will be issued with a denomination above EUR 99,000.]*
- (ii) Calculation Amount: [ ]
- [The applicable Calculation Amount (which is used for the calculation of interest and redemption amounts) will be (i) if there is only one Specified Denomination, the Specified Denomination of the relevant Capital Securities or (ii) if there are several Specified Denominations, the highest common factor of those Specified Denominations (note: there must be a common factor in the case of two or more Specified Denominations).]*
7. [(i)] Issue Date: [ ]
- [(ii)] Interest Commencement Date: [ ]
8. Interest Basis: [[ ] per cent. Fixed Rate per annum]
- [[LIBOR/EURIBOR] +/- [ ] per cent. Floating Rate]
- [Zero Coupon]
- [Dual Currency Interest]
- [specify other]
- (further particulars specified below)
9. Redemption/Payment Basis: [[Redemption at par]
- [Dual Currency Redemption]
- [specify other]
- (N.B. If the Final Redemption Amount is less than 100% of the nominal value the Capital 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.)*
10. Change of Interest or Redemption/Payment Basis: [Specify details of any provision for convertibility of Capital Securities into another interest or redemption/payment basis]
11. Call Option: [Issuer Call]
- [(further particulars specified below)]
12. [Date [Board] approval for issuance of Capital Securities obtained: [ ] [and [ ]], respectively]]
- (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Capital Securities)



## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. Fixed Rate Capital Securities Provisions [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Coupon Rate(s): [ ] per cent. per annum [payable [annually/semi-annually/quarterly/ monthly] in arrear]
  - (ii) Coupon Payment Date(s): [[ ] in each year up to and including the redemption date]/[specify other]  
  
*(N.B. This will need to be amended in the case of long or short coupons)*
  - (iii) Fixed Coupon Amount(s): [ ] per Calculation Amount
  - (iv) Fixed Day Count Fraction: [30/360]/[Actual/Actual (ICMA)/Other]/[If neither of these options applies, give details]
  - (v) Broken Amount(s): [ ] per Calculation Amount, payable on the Coupon Payment Date falling [in/on] [ ]
  - (vi) Determination Date(s): [ ] in each year  
  
[Insert regular Coupon Payment Dates, ignoring issue date or maturity date in the case of a long or short first or last coupon  
  
N.B. This will need to be amended in the case of regular Coupon Payment Dates which are not of equal duration  
  
N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]
  - (vi) Other terms relating to the method of calculating interest for Fixed Rate Capital Securities: [Not Applicable/give details]
  - (vii) Ordinary Shares Threshold: [ ]
  - (viii) Initial ACSM Cap Period [ ]
  - (ix) Subsequent ACSM Cap Period [delete if not applicable]
  - (x) ACSM Settlement Period [ ]
  - (xi) Ordinary Shares Threshold amount (if different from 2 per cent.): [delete if not applicable]
  - (xii) Other provisions relating to ACSM: [ ]
14. Floating Rate or Variable Coupon Rate Capital Securities Provisions [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) Coupon Period(s)/specified Coupon Payment Dates: [ ]
  - (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/other (give details)]
  - (iii) Additional Business Centre(s): [ ]
  - (iv) Manner in which the Coupon Rate is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]

- (v) Party responsible for ☐ calculating the Coupon Rate and Coupon Amount(s) (if not the Agent):
- (vi) Screen Rate Determination:
- Reference Rate: ☐ [For example, LIBOR or EURIBOR]
  - Coupon Determination ☐
- Date(s): ☐ (Indicate Coupon Determination Date and specify if the calculation is to be made at the beginning / end of the period.)
- ☐ [Subject to adjustment in accordance with the [name of applicable Business Day Convention] for which the Relevant Business Day is ☐.] or [Not subject to adjustment.]
- Relevant Screen Page: ☐ [For example, Reuters LIBOR 01/EURIBOR 01]
  - Relevant Time: ☐ [For example, 11.00 a.m. London time/Brussels time]
  - Relevant Financial Centre: ☐ [For example, London/Euro zone (where Euro-zone means the region comprised of the countries where Lawful Currency is the euro)]
- (vii) ISDA Determination: ☐
- Floating Rate Option: ☐
  - Designated Maturity: ☐
  - Reset Date: ☐
- (viii) Margin(s): ☐ [ +/- ] ☐ per cent. per annum
- (ix) Minimum Coupon Rate: ☐ [ ☐ ] per cent. per annum/Not Applicable
- (x) Maximum Coupon Rate: ☐ [ ☐ ] per cent. per annum/Not Applicable
- (xi) Floating Day Count Fraction: ☐ [30/360]/[Actual/Actual (ICMA)/Other]/[If neither of these options applies, give details]
- (xii) Fall back provisions, rounding ☐ provisions, denominator and any other terms relating to the method of calculating or Variable Coupon Rate interest on Floating Rate Capital Securities, if different from those set out in the Conditions:
- (xiii) Number of required Coupon ☐ Payments Dates following a Junior Coupon Pusher Event and/or a Parity Coupon Pusher Event pursuant to Condition 4(c): ☐ [Applicable/Not Applicable]
- (xiv) Ordinary Shares Threshold: ☐ [ ☐ ]
- (xv) Initial ACSM Cap Period: ☐ [ ☐ ]
- (xvi) Subsequent ACSM Cap ☐ Period: ☐ [delete if not applicable]
- (xvii) ACSM Settlement Period: ☐ [ ☐ ]
- (xviii) Ordinary Shares Threshold ☐ amount (if different from 2 percent): ☐ [delete if not applicable]

(xix) Other provisions relating to [ ]  
ACSM:

(xx) Capital Disqualification Event [Applicable/Not Applicable]

#### PROVISIONS RELATING TO REDEMPTION

15. Issuer Call: [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s) [ ]  
(Call):
- (ii) Optional Redemption Amount(s) (Call) of each [ ] per Calculation Amount  
Capital Security and method, if  
any, of calculation of such  
amount(s):
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [ ] per Calculation Amount
- (b) Maximum Redemption Amount: [ ] per Calculation Amount
- (iv) Notice Period (Call) (if other than as set out in the Conditions): [ ] *[If setting notice periods which are different to those in the terms and conditions, please consider the practicalities of distribution of information through intermediaries, for example, clearing systems, as well as any other notice requirements which may apply, for example, as between the Issuer and Agents.]*
16. Early Redemption Amount of each Capital Security payable on redemption for taxation or regulatory reasons and/or the method of calculating the same [details of any make whole premium]
17. Replacement Capital Covenant: [Applicable/Not Applicable]  
*(If not applicable, delete subparagraph 19 of this paragraph)*
18. Other provisions relating to the Replacement Capital Covenant: [delete if not applicable]

#### GENERAL PROVISIONS APPLICABLE TO THE CAPITAL SECURITIES

19. Form of Capital Securities: [Temporary Global Capital Security exchangeable for a Permanent Global Capital Security which is not exchangeable for Capital Securities in definitive form]  
[other]
20. 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 to interest period end dates, to which items 13(ii) and 14(iii) relate].
21. Other terms or special conditions: [Not Applicable/give details] *(When adding any other final terms, consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)*

*[In the left hand column under "Distribution" the words in square brackets should be included in retail*

*issues only]*

22. (i) If syndicated, names [and addresses] of Managers [and underwriting commitments]: [Not Applicable/give names [and for retail issues only, and addresses and underwriting commitments] (include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers)]
- (ii) Stabilising Manager (if any): [Not Applicable/give name]
- [(iii) Date of Subscription Agreement: [ ]]
23. If non-syndicated, name and address of Dealer: [Not Applicable/give name and address]
24. Total commission and concession: [ ] per cent of the Aggregate Nominal Amount of Tranche
25. Additional selling restrictions: [Not Applicable/give details]
26. Applicable TEFRA exemption for the Capital Securities whilst in Global Form: [C Rules/D Rules/not applicable]
27. Non-exempt Offer: [Not Applicable] [An offer of the Capital Securities may be made by the Managers [and [specify, if applicable]] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported] ("**Public Offer Jurisdictions**") during the period from [specify date] until [specify date] ("**Offer Period**"). (See further Paragraph 8 of Part B below).]
28. Delivery Agent: [Not Applicable/give details]

## ADMISSION TO TRADING

These Final Terms comprise the final terms required for issue and public offer in the Public Offer Jurisdiction and to list and have admitted to trading the Capital Securities described herein pursuant to the EUR 40,000,000,000 Debt Issuance Programme of Fortis Bank (Nederland) N.V.

## RESPONSIBILITY

Fortis Bank (Nederland) N.V. accepts responsibility for the information contained in these Final Terms.

[[ ] has been extracted from [ ] Fortis Bank (Nederland) N.V. 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 (*not required where Capital Securities will not be admitted to trading on a regulated market and/or offered to the public in the European Economic Area*).]\*\*.

Signed on behalf of Fortis Bank (Nederland) N.V.:

By:

*Duly authorised*

Title:

By:

*Duly authorised*

Title:

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\*\* Include where any information sourced from a third party has been reproduced, and provide necessary details.

## PART B – OTHER INFORMATION

*[For Capital Securities which are not to be admitted to trading on a regulated market and/or offered to the public in the European Economic Area only parts 1(i), 1(ii), 5(ii) and the paragraph under “Operational Information” should be included in “Part B – Other Information”]*

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing [Official list of the Luxembourg Stock Exchange / Euronext Amsterdam by NYSE Euronext/ Other(*specify*)/None]
- (ii) Admission to trading: [Application has been made for the Capital Securities to be admitted to trading on [the Luxembourg Stock Exchange/Euronext Amsterdam by NYSE Euronext/Other (*specify*)] with effect from [ ].]
- [Application is expected to be made for the Capital Securities to be admitted to trading on [the Luxembourg Stock Exchange/ Euronext Amsterdam by NYSE Euronext/Other (*specify*)] with effect from [ ].]
- Not Applicable.]
- [(For retail issues only – where documenting a fungible issue need to indicate that original securities are already admitted to trading.)]*
- (iii) [Estimate of total expenses related to admission to trading [ ] *[For a wholesale issue only]*]
- (iv) Trading basis: [The Capital Securities are expected to be admitted to trading on Euronext Amsterdam on AIW basis on [ ] / Not Applicable]

### 2. RATINGS

- Ratings: The Capital Securities to be issued have been/will be rated:
- [S & P: [ ]]
- [Moody's: [ ]]
- [Fitch: [ ]]
- [[Other]: [ ]]
- [For retail issues only, need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*
- (The above disclosure should reflect the rating allocated to Capital Securities of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*
- (i) the above mentioned ratings are the credit ratings assigned to the Programme: [Yes / No]
- (ii) the above mentioned ratings are specific credit ratings only assigned to this Tranche of Capital Securities: [Yes / No]

### 3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

*Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement: "Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of Capital Securities has an interest material to the offer".*

*(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 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:

[ ].

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

[(iii) Estimated total expenses:

[ ].

*[Include breakdown of expenses.]*

### 5. YIELD (Fixed Rate Capital Securities only )

Indication of yield:

[ ].

Calculated as *[include details of method of calculation in summary form]* on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

### 6. [Floating Rate Capital Securities only – **HISTORIC INTEREST RATES** [Include Item 6 for a retail issue only]

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

### 7. OPERATIONAL INFORMATION

ISIN Code:

[ ]

Common Code:

[ ]

NSCNL Code

[ ]

Other relevant code

[ ]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification [Not Applicable/Euroclear Netherlands/give name(s) and number(s)]

number(s):

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [ ]

Name and address of Calculation Agent: [ ]

## 8. TERMS AND CONDITIONS OF THE OFFER

Offer Price: [Issue Price][specify]

Conditions to which the offer is subject: [Not Applicable/give details]

Description of the application process: *[Not Applicable/give details]*  
*(Specify the manner chosen by the Issuer to publish the Base Prospectus and the Final Terms.)*

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable/give details]

Details of the minimum and/or maximum amount of application: [Not Applicable/give details]

Details of the method and time limits for paying up and delivering the Capital Securities: [Not Applicable/give details]

Manner in and date on which results of the offer are to be made public: [Not Applicable/give details]

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable/give details]

Categories of potential investors to which the Capital Securities are offered and whether tranche(s) have been reserved for certain countries: [Not Applicable/give details]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable/give details]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/give details]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [None/give details]



## TERMS AND CONDITIONS OF THE NOTES

### Part 1: TERMS AND CONDITIONS OF THE MEDIUM TERM NOTES

*The following are the Terms and Conditions of the Medium Term Notes (the "**Conditions**") which, as supplemented, modified or replaced in relation to any Medium Term Notes by the applicable Final Terms, will be applicable to each Series of Medium Term Notes. The Final Terms in relation to any Tranche of Medium Term Notes will include the definitions of certain terms used in the following Conditions:*

The Conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Provisions Relating to the Notes whilst in Global Form*" below.

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

- (i) in relation to any Notes in bearer form ("**Bearer Notes**") represented by a temporary global Note in CGN form or in NGN form or permanent global Note in CGN form or in NGN form (in each case as defined below) (each a "**Global Note**") or in relation to any Notes in registered form ("**Registered Notes**") represented by a global certificate (a "**Global Certificate**"), units of the lowest Specified Denomination in the Specified Currency;
- (ii) definitive Notes in bearer form ("**Definitive Notes**") issued in exchange for a Global Note;
- (iii) registered Notes represented by individual certificates ("**Individual Certificates**") issued in exchange for a Global Certificate; and
- (iv) any Global Note or Global Certificate.

Each Global Note which is not intended to be issued in new global note ("**NGN**") form (a "**Classic Global Note**" or "**CGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with (i) a depositary or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and/or any other relevant clearing system or (ii) Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("**Euroclear Netherlands**") and each Global Note which is intended to be issued in NGN form (a "**New Global Note**" or "**NGN**"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg (together the "**ICSDs**").

The Notes are issued pursuant to and in accordance with the agency agreement dated 6 November 2009 (the "**Agency Agreement**" as amended, supplemented or replaced) and made between Fortis Bank (Nederland) N.V. (the "**Issuer**" or "**FB(N)**"), BGL BNP Paribas SA in its capacity as agent (the "**Agent**", which expression shall include any successor to BGL BNP Paribas SA in its capacity as such) and principal paying agent (the "**Principal Paying Agent**"), Fortis Bank (Nederland) N.V. as Dutch paying agent (together with the Principal Paying Agent, the "**Paying Agents**", which expression shall include any successor or additional paying agents appointed in accordance with the Agency Agreement) and BGL BNP Paribas SA and Fortis Bank (Nederland) N.V. in their capacity as registrars (the "**Registrars**", and each a "**Registrar**", which suppression shall include any successor registrar) and transfer agents together with the Registrars (the "**Transfer Agents**" and each a "**Transfer Agent**", which expression shall include any successor or additional transfer agents appointed in accordance with the Agency Agreement). For the purposes of making determinations or calculations of rates of interest, interest amounts, redemption amounts or any other matters requiring determination or calculation in accordance with the Conditions of any Series of Notes (as defined below), The Issuer may appoint a calculation agent (the "**Calculation Agent**") for the purposes of such Notes, in accordance with the provisions of the Agency Agreement, and such Calculation Agent shall be specified in the applicable Final Terms. Copies of the Agency Agreement are available for inspection during normal business hours at the specified office of each of the Paying Agents. All persons from time to time entitled to the benefit of obligations under any Notes shall be deemed to have notice of, and shall be bound by, all of the provisions of the Agency Agreement insofar as they relate to the relevant Notes. The Notes are issued in series (each, a "**Series**"), and each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") of Notes. Each Tranche will be the subject of a set of final terms (each, the "**Final Terms**"), a copy of which will be available for inspection during normal business hours at the specified office of the Agent and obtainable from the Paying Agents. In the case of a Tranche of Notes in relation to which application has not been made for the admission to listing, trading and/or quotation on any competent authority, stock exchange and/or any quotation system, copies of the Final Terms will only be available for inspection by a Holder of or, as the case may be, a Relevant Accountholder (as defined in the Notes in global form) in respect of, such Notes.

References in these Conditions to Notes are to Notes of the relevant Series and any references to Coupons (as defined in Condition 1(a)) and Receipts (as defined in Condition 1(a)) are to Coupons and Receipts relating to Notes of the relevant Series.

References in these Conditions to the Final Terms are to the Final Terms prepared in relation to the Notes of the relevant Tranche or Series.

In respect of any Notes, references herein to these Conditions are to these terms and conditions as supplemented or modified or (to the extent thereof) replaced by the Final Terms.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms but shall not include Euroclear Netherlands. Any amendments to the Conditions required in connection with such additional or alternative clearing system shall be specified in the applicable Final Terms.

Any reference herein to "**Noteholders**" or "**Holders**" in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to Notes represented by a Global Note or by a Global Certificate, be construed as provided below.

For so long as any of the Notes is represented by a Global Note or a Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg, Euroclear Netherlands or any other relevant clearing system each person (other than Euroclear or Clearstream, Luxembourg, Euroclear Netherlands or such other relevant clearing system) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg, Euroclear Netherlands or such other relevant clearing system as the holder of a particular nominal amount of such Notes, including, in the case of Euroclear Netherlands, those having a credit balance in the collective deposits held by Euroclear Netherlands or one of its participants (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg, Euroclear Netherlands or any other relevant clearing system as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, any Paying Agent, any Transfer Agent and Registrar as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant Global Note or the registered holder of the relevant Global Certificate shall be treated by the Issuer and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note (and the expressions Noteholder and Holder of Notes and related expressions shall be construed accordingly).

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.

## 1. **Form and Denomination**

### (a) *Form:*

Notes are issued in bearer form or in registered form as specified in the Final Terms and are serially numbered.

This Note may be an Unsubordinated Note or a Subordinated Note, as indicated in the Final Terms. If this Note is a Subordinated Note, it is either a Dated Subordinated Note or an Undated Subordinated Note, as indicated in the Final Terms (or any other type of Subordinated Note as may be specified in any supplement to these Conditions).

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

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

Interest-bearing Notes in definitive form have attached thereto at the time of their initial delivery coupons ("**Coupons**"), presentation of which will be a prerequisite to the payment of interest save in certain circumstances specified herein. In addition, if so specified in the Final Terms, such Notes have attached thereto at the time of their initial delivery a talon ("**Talon**") for further coupons and the expression "**Coupons**" shall, where the context so requires, include Talons.

No exchange of a Bearer Note for a Registered Note or a Registered Note for a Bearer Note will be permitted.

Notes in definitive form, the principal amount of which is repayable by instalments ("**Instalment Notes**"), have attached thereto at the time of their initial delivery payment receipts ("**Receipts**") in respect of the instalments of principal.

Notes in registered form do not have Receipts or Coupons attached on issue.

(b) *Denomination:*

Notes are in the denomination or denominations (each of which denomination is integrally divisible by each smaller denomination) specified in the Final Terms. Notes of one denomination may not be exchanged for Notes of any other denomination.

(c) *Currency of Notes:*

The Notes are denominated in such currency as may be specified in the Final Terms. Any currency may be so specified, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

(d) *Partly Paid Notes:*

Notes may be issued on a partly paid basis ("**Partly Paid Notes**") if so specified in the Final Terms. The subscription moneys therefore shall be paid in such number of instalments ("**Partly Paid Instalments**") in such amounts, on such dates and in such manner as may be specified in the Final Terms. The first such instalment shall be due and payable on the date of issue of the Notes. For the purposes of these Conditions, in respect of any Partly Paid Note, "**Paid Up Amount**" means the aggregate amount of all Partly Paid Instalments in respect thereof as shall have fallen due and been paid up in full in accordance with the Conditions.

Not less than 14 days nor more than 30 days prior to the due date for payment of any Partly Paid Instalment (other than the first such instalment) the Issuer shall publish a notice in accordance with Condition 13 (*Notices*) stating the due date for payment thereof and stating that failure to pay any such Partly Paid Instalment on or prior to such date will entitle the Issuer to forfeit the Notes with effect from such date ("**Forfeiture Date**") as may be specified in such notice (not being less than 14 days after the due date for payment of such Partly Paid Instalment), unless payment of the relevant Partly Paid Instalment together with any interest accrued thereon is paid prior to the Forfeiture Date. The Issuer shall procure that any Partly Paid Instalments paid in respect of any Notes subsequent to the Forfeiture Date in respect thereof shall be returned promptly to the persons entitled thereto. The Issuer shall not be liable for any interest on any Partly Paid Instalment so returned.

Interest shall accrue on any Partly Paid Instalment which is not paid on or prior to the due date for payment thereof at the Rate of Interest (in the case of non-interest bearing Notes, at the rate applicable to overdue payments) and shall be calculated in the same manner and on the same basis as if it were interest accruing on the Notes for the period from and including the due date for payment of the relevant Partly Paid Instalment up to but excluding the Forfeiture Date. For the purpose of the accrual of interest, any payment of any Partly Paid Instalment made after the due date for payment shall be treated as having been made on the day preceding the Forfeiture Date (whether or not a Business Day as defined in Condition 4(b)(i)).

Unless an Event of Default (or an event which with the giving of notice, the lapse of time or the making or giving of any determination or certification would constitute an Event of Default) shall have occurred and be continuing, on the Forfeiture Date, the Issuer shall forfeit all of the Notes in respect of which any Partly Paid Instalment shall not have been duly paid, whereupon the Issuer shall be entitled to retain all Partly Paid Instalments previously paid in respect of such Notes and shall be discharged from any obligation to repay such amount or to pay interest thereon.

## 2. **Title and Transfer**

(a) Title to the Bearer Notes, Receipts and Coupons passes by delivery.

(b) The Holder of any Definitive Note, Receipt or Coupon and the registered holder of any Individual Certificate will (except as ordered by a court of competent jurisdiction or as otherwise required by applicable law or regulatory requirement) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest thereof or therein, any writing on the relevant Note, or any theft or loss thereof) and no person shall be liable for so treating such Holder.

(c) For Notes held by Euroclear Netherlands deliveries will be made in accordance with the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*).

(d) *Transfer of interests in Global Certificates*

Transfer of beneficial interests in Global Certificates will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. If so specified in the applicable Final Terms, a beneficial interest in a Global Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be exchangeable for Registered Notes in definitive form (each, an "**Individual Certificate**") or for a beneficial interest in another Global Certificate only in the authorised denominations set out in the applicable Final Terms and only in accordance with the

rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

### 3. Status of the Notes

#### (a) Status – Unsubordinated Notes

- (i) This Condition 3(a) is applicable in relation to Notes specified in the Final Terms as being unsubordinated or not specified as being subordinated ("**Unsubordinated Notes**").
- (ii) The Unsubordinated Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* in all respects with all other unsubordinated and unsecured obligations of the Issuer, present and future (save for such obligations as may be preferred by provisions of law that are both mandatory and of general application).

#### (b) Status – Dated Subordinated Notes

- (i) This Condition 3(b) is applicable only in relation to Notes specified in the Final Terms as being dated subordinated notes ("**Dated Subordinated Notes**").
- (ii) The Dated Subordinated Notes constitute unconditional and unsecured obligations of the Issuer and rank, subject to Condition 3(e) below, *pari passu* without any preference among themselves and at least equally with all other present and future Subordinated Indebtedness of the Issuer. References in these conditions to "**Subordinated Indebtedness**" shall, unless otherwise specified, include both Dated Subordinated Indebtedness and Undated Subordinated Indebtedness (as defined in Condition 3(c)).
- (iii) The claims of the Holders of Notes against the Issuer in respect of Dated Subordinated Notes are, in the event of bankruptcy, winding-up, dissolution or liquidation of the Issuer or if the Issuer is in a situation which requires emergency regulations (*noodregelingen*, the "**Emergency Regulations**") in the interest of all creditors referred to in Section 3.5.5 of the Dutch Financial Markets Supervision Act ("*Wet op het financieel toezicht*" and its subordinate and implementing decrees and regulations, the "**Wft**"), subordinated to all other current and future unsubordinated and unprivileged claims and higher ranking subordinated claims on the Issuer.

By virtue of such subordination, in respect of Dated Subordinated Notes, payments to Holders of Notes will, in the event of the bankruptcy, winding-up, dissolution or liquidation of the Issuer or if the Issuer is in a situation which requires Emergency Regulations, only be made after, and any set-off by any Holders of Notes shall be excluded until, all preferred and non-preferred unsubordinated obligations admissible in any such winding-up, dissolution, liquidation or bankruptcy of the Issuer or if the Issuer is in a situation which requires Emergency Regulations have been satisfied in full or after an arrangement or composition has been arrived at with them under which they have given full discharge against receipt of part of their claim.

In the event of bankruptcy, dissolution, winding-up or liquidation of the Issuer or if the Issuer is in a situation which requires Emergency Regulations, the competent regulatory authority is authorised to make public these terms and conditions, the Notes and the agreements relating to the Notes.

- (iv) the Issuer undertakes that, while any Dated Subordinated Note is outstanding, it will not create or permit to be outstanding any Subordinated Indebtedness which is not by its terms expressed to rank *pari passu* with, or junior to, the Dated Subordinated Notes.
- (v) the Issuer undertakes not to pay or set-off the claims of Holders of Notes under the Dated Subordinated Notes and Holders of Notes undertake not to accept any such payment or set-off under the Dated Subordinated Notes until the Dutch Central Bank (De Nederlandsche Bank N.V.) has given its written approval to the termination of the subordination. This approval is deemed to have been given for any payments agreed under the Notes.

#### (c) Status – Undated Subordinated Notes

- (i) This Condition 3(c) is applicable in relation to Notes specified in the Final Terms as being undated subordinated notes ("**Undated Subordinated Notes**").
- (ii) The Undated Subordinated Notes constitute unconditional and unsecured obligations of the Issuer and, subject as set out in Condition 3(e) below, rank *pari passu* without any preference among themselves and junior to all present and future Dated Subordinated Indebtedness of the Issuer save for those obligations preferred by mandatory provisions of law. For the purposes of these Conditions, (i) "**Dated Subordinated Indebtedness**" means any indebtedness of an entity with a fixed maturity date, the right to repayment of which is, or is expressed to be, or is required

by any present or future agreement of such entity to be, subordinated only to all other current and future unsubordinated and unprivileged claims on such entity in the event of the bankruptcy, winding-up, dissolution or liquidation of such entity or if such entity is in a situation which requires Emergency Regulations and (ii) “**Undated Subordinated Indebtedness**” means any indebtedness of an entity without a fixed maturity date, the right to repayment of which is, or is expressed to be, or is required by any present or future agreement of such entity to be, subordinated only to all other current and future unsubordinated and unprivileged claims on such entity and to Dated Subordinated Indebtedness and claims subordinated in the same manner as Dated Subordinated Indebtedness in the event of the bankruptcy, dissolution, winding-up or liquidation of such entity or if such entity is in a situation which requires Emergency Regulations.

- (iii) The claims of the Holders of Notes against the Issuer in respect of Undated Subordinated Notes are, in the event of bankruptcy, winding-up, dissolution or liquidation of the Issuer or if the Issuer is in a situation which requires Emergency Regulations, subject as set out in Condition 3(e) below, *pari passu* with (other) Undated Subordinated Indebtedness and subordinated only to all other current and future unsubordinated and unprivileged claims on the Issuer and to Dated Subordinated Indebtedness and claims subordinated in the same manner as Dated Subordinated Indebtedness.

By virtue of such subordination, in respect of Undated Subordinated Notes, payments to Holders of Notes will, in the event of the bankruptcy, winding-up, dissolution or liquidation of the Issuer or if the Issuer is in a situation which requires Emergency Regulations only be made after, and any set-off by any Holders of Notes shall be excluded until, all, preferred and non-preferred, higher ranking obligations admissible in any such winding-up, dissolution, liquidation or bankruptcy of the Issuer or if the Issuer is in a situation which requires Emergency Regulations have been satisfied in full or after an arrangement or composition has been arrived at with them under which they have given full discharge against receipt of part of their claim.

In the event of bankruptcy, dissolution, winding-up or liquidation of the Issuer or if the Issuer is in a situation which requires Emergency Regulations the competent regulatory authority is authorised to make public these terms and conditions, the Notes and the agreements relating to the Notes.

- (iv) the Issuer undertakes that, while any Undated Subordinated Note is outstanding, it will not create or permit to be outstanding any Undated Subordinated Indebtedness of the Issuer which is not by its terms expressed to rank *pari passu* with, or junior to, the Undated Subordinated Notes.
  - (v) The Issuer undertakes not to pay or set-off the claims of Holders of Notes under the Undated Subordinated Notes and Holders of Notes undertake not to accept any such payment or set-off under the Undated Subordinated Notes until the Dutch Central Bank (*De Nederlandsche Bank N.V.*) has given its written approval to the termination of the subordination. This approval is deemed to have been given for any payments agreed under the Notes.
- (d) References in these Conditions to “**Subordinated Notes**” shall, unless otherwise specified, include both Dated Subordinated Notes and Undated Subordinated Notes.
  - (e) In accordance with the Decree on Prudential Rules Wft (*Besluit Prudentiële Regels Wft*) to which the Issuer is subject, the Undated Subordinated Notes may qualify as tier 1 capital, i.e. Tier 1 Notes or upper tier 2 capital, i.e. Upper Tier 2 Notes, and the Dated Subordinated Notes may qualify as lower tier 2 capital, i.e. Lower Tier 2 Notes (together with the Upper Tier 2 Notes, “**Tier 2 Notes**”) or tier 3 capital, i.e. Tier 3 Notes, as specified in the applicable Final Terms and in accordance with such other terms and conditions specified therein replacing or modifying these Terms and Conditions for the purpose of such Series of Notes. The Tier 1 Notes, the Upper Tier 2 Notes, the Lower Tier 2 Notes and the Tier 3 Notes respectively rank *pari passu* among themselves. The Tier 1 Notes are subordinated to the Tier 2 Notes and Tier 3 Notes. The Upper Tier 2 Notes are subordinated to the Lower Tier 2 Notes. The Tier 2 Notes are subordinated to the Tier 3 Notes.

#### 4. Interest

- (a) *Interest on Fixed Rate Notes*
  - (i) Each Note specified as being a Fixed Rate Note in the applicable Final Terms (each a “**Fixed Rate Note**”) bears interest on its nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Fixed Rate(s) of Interest payable in arrear on the date(s) specified in the applicable Final Terms (each a “**Fixed Interest Date**”) in each year and on the Maturity Date if that does not fall on a Fixed Interest Date. The first payment of interest will be made on the Fixed Interest Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not a Fixed Interest Date, will amount to the Initial Broken Amount. If the Maturity Date is not a Fixed Interest Date, interest from (and including) the preceding Fixed

Interest Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount. The amount of interest payable in respect of each Fixed Rate Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Fixed Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resultant figure to the nearest sub-unit of the Specified Currency (half of a sub-unit being rounded upwards) and multiplying such rounded up figure by a fraction equal to the Specified Denomination of such Fixed Rate Note divided by the Calculation Amount.

- (ii) If, in respect of a Fixed Rate Note payable in United States Dollars, interest is required to be calculated for a period of other than a full year, such interest shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.
- (iii) If, in respect of a Fixed Rate Note which is payable in a currency other than United States Dollars, interest is required to be calculated for a period (the “**Calculation Period**”) of other than a full year, such interest shall be calculated on the basis of (A) the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (I) the number of those days falling in a leap year divided by 366 and (II) the number of those days falling in a non-leap year divided by 365) (“**Actual/Actual (ISDA)**”), (B) a 360-day year consisting of 12 months of 30 days each (“**30/360**”), or (C) (I) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (x) the actual number of days in such Regular Period and (y) the number of Regular Periods normally ending in any year and (II) where the Calculation Period is longer than one Regular Period, the sum of: (x) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year and (y) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (I) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year, “**Actual/Actual (ICMA)**” where “**Regular Period**” means: (1) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date (2) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls and (3) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period or (D) on such other basis as may be agreed, each as specified in the applicable Final Terms. For the purposes of this Condition 4(a) “**Day Count Fraction**” means such day count fraction mentioned in paragraphs (ii) and (iii)(A) to (D) above and as may be specified in the applicable Final Terms.

For the purposes of these Conditions, “**euro**” means the single 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 (the “**Treaty**”).

- (b) *Interest on Floating Rate Notes, Index-Linked Interest Notes, Equity-Linked Interest Notes, Fund-Linked Interest Notes, Credit-Linked Interest Notes, Commodity-Linked Interest Notes, Inflation-Linked Interest Notes and other Variable Coupon Amount Notes*

- (i) Interest Payment Date

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

- (A) the specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no express Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date and each date mentioned in paragraph (A) above, an “**Interest Payment Date**”) which (save as otherwise mentioned in these Conditions or the applicable Final Terms) falls 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) and Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a business day convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined below), then, if the business day convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment 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 shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the calendar month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment 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 shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

(each, a “**Business Day Convention**”)

“**Business Day**” means (unless otherwise stated in the applicable Final Terms) either:

- (A) in relation to any sum payable in a Specified Currency other than euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in London and any Additional Business Centre specified in the applicable Final Terms and on which commercial banks and foreign exchange markets settle payments in the Principal Financial Centre (as defined in Condition 8(h)(i)(iii)) of the relevant Specified Currency (if other than London and any Additional Business Centre); or
- (B) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (“**TARGET2**”) system is open and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes, Index-Linked Interest Notes, Equity-Linked Interest Notes, Fund-Linked Interest Notes, Credit-Linked Interest Notes, Commodity-Linked Interest Notes, Inflation-Linked Interest Notes and other Variable Coupon Amount Notes will be determined in the manner specified in the applicable Final Terms.

(iii) ISDA Determination for Floating Rate Notes

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 (iii), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions as amended, supplemented and updated as at the date specified in the applicable Final Terms, as published by the International Swaps and Derivatives Association, Inc. (the “**ISDA Definitions**”) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and

- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

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

Where this sub-paragraph (iii) applies, in respect of each relevant Interest Period, the Agent will be deemed to have discharged its obligations under paragraph (vi) below 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 (iii).

(iv) Screen Rate Determination for Floating Rate Notes

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:

- (A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (B) the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 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 or, if so specified in the Final Terms, Brussels time) on the Interest Determination Date in question (as specified in the Final Terms) plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the 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, only one of such quotations) shall be disregarded by the 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 in the event that the Relevant Screen Page is not available or if, in the case of (A) above no such quotation appears or, in the case of (B) 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 the London inter-bank offered rate, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(v) Minimum and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the above provisions is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period then, in the event that the Rate of Interest in respect of any such Interest Period determined in accordance with the above provisions is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

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

The Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index-Linked Interest Notes, Equity-Linked Interest Notes, Fund-Linked Interest Notes, Credit-Linked Interest Notes, Commodity-Linked Interest Notes, Inflation-Linked Interest Notes and other Variable Coupon Amount Notes, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index-Linked Interest Notes, Equity-Linked Interest Notes, Fund-Linked Interest Notes, Credit-Linked Interest Notes, Commodity-Linked Interest Notes, Inflation-Linked Interest Notes and other Variable Coupon Amount Notes, the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same. The Agent will calculate the amount of interest (the “**Interest Amount**”) payable on the Floating Rate Notes, Index-Linked Interest Notes, Equity-Linked Interest Notes, Fund-Linked Interest Notes, Credit-Linked Interest Notes, Commodity-Linked Interest Notes, Inflation-Linked Interest Notes or other Variable Coupon Amount Notes in respect of each Calculation Amount for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such sum by the applicable



Day Count Fraction, rounding the resultant figure to the nearest cent (or its approximate equivalent sub-unit of the relevant Specified Currency, half of any subunit being rounded upwards) or otherwise in accordance with applicable market convention and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent. If the Calculation Amount is less than the Specified Denomination, the Agent, respectively, the Calculation Agent shall not be obliged to publish each Interest Amount but instead publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

"**Calculation Amount**" has the meaning given in the applicable Final Terms.

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**") such day count fraction as may be specified in these Conditions or the applicable Final Terms, and:

- (A) if "**Actual/Actual (ICMA)**" is so specified, means:
- (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (B) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (C) if "**Actual/365 Fixed**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (D) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (E) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation 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 Calculation 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";

- (F) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30; and

- (G) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation 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 Calculation 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,

*provided, however*, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

- (vii) Notification of Rate of Interest and Interest Amount

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and the Paying Agents and to any competent authority, stock exchange and/or quotation system on which the relevant Floating Rate Notes, Index-Linked Interest Notes, Equity-Linked Interest Notes, Fund-Linked Interest Notes, Credit-Linked Interest Notes, Commodity-Linked Interest Notes, Inflation-Linked Interest

Notes or other Variable Coupon Amount Notes are for the time being admitted to listing, trading and/or quotation, and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination but in any event not later than the first day of the relevant Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each competent authority, stock exchange and/or quotation system on which the relevant Floating Rate Notes, Index-Linked Interest Notes, Equity-Linked Interest Notes, Fund-Linked Interest Notes, Credit-Linked Interest Notes, Commodity-Linked Interest Notes, Inflation-Linked Interest Notes or other Variable Coupon Amount Notes are for the time being admitted to listing, trading and/or quotation and to the Holders of Notes in accordance with Condition 13 (*Notices*). No notifications shall be required to be given by the Issuer, the Calculation Agent or any Paying Agent in connection with any Floating Rate Notes, Index-Linked Interest Notes, Equity-Linked Interest Notes, Fund-Linked Interest Notes, Credit-Linked Interest Notes, Commodity-Linked Interest Notes, Inflation-Linked Interest Notes or other Variable Coupon Amount Notes except as specifically provided in these Conditions or as required by applicable laws, rules or regulations.

(viii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the other Paying Agents, the Registrars, the Transfer Agents and all Holders of Notes, of Receipts and of Coupons and (in the absence as aforesaid) no liability to the Issuer, the Holders of Notes, of Receipts or of Coupons shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Dual Currency Notes*

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the 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 due 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 thereon (as well after as before any demand or judgment) at the rate then applicable to the principal amount of the Notes or such other rate as may be specified in the applicable Final Terms until whichever is the earlier of (1) the date on which all amounts due in respect of such Note have been paid, and (2) date on which the Agent having received the funds required to make such payment, notice is given to the Holders of Notes in accordance with Condition 13 (*Notices*) of that circumstance (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder of Notes).

(f) *Non-Interest Bearing Notes*

If any Redemption Amount (as defined in Condition 5(h)(ii)) or Instalment Amount in respect of any Note which is non-interest bearing is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Amortisation Yield defined in, or determined in accordance with the provisions of, the applicable Final Terms or at such other rate as may be specified for this purpose in the applicable Final Terms until the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made or, if earlier (except where presentation or surrender of the relevant Note is not required as a precondition of payment), the seventh day after the date on which, the Principal Paying Agent having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 13 (*Notices*) that the Principal Paying Agent (except to the extent that there is failure in the subsequent payment thereof to the relevant Holder) has received the required funds. The amount of any such interest shall be calculated in accordance with the provisions of Condition 4(b)(vi) as if the Rate of Interest was the Amortisation Yield, the principal amount of the relevant Note was the overdue sum and the Day Count Fraction was as specified for this purpose in the Final Terms or, if not so specified, 30E/360 (as defined in Condition 4(b)(vi)).

(g) *Deferral of Interest on Tier 3 Notes*

Notwithstanding anything to the contrary contained elsewhere in this Condition 4 (*Interest*), interest on the Tier 3 Notes of this Series will not be payable on any Interest Date if and to the extent that at the time of, or as a result of, such payment the Issuer's actual Own Funds (as defined below) would amount to less than 100 per cent. of the Issuer's required minimum amount of Own Funds under the Decree on Prudential Rules Wft. Any interest in respect of the Tier 3 Notes of this Series not paid on a Fixed Interest Date or Interest Payment Date on which such interest would otherwise be payable will constitute arrears of interest ("**Arrears of Interest**") and will become payable and will be paid by the Issuer as soon as and to the extent that the Issuer will, after such payment has been made, meet the solvency test referred to in the previous sentence. Any Arrears of Interest will also become fully payable on the date of the dissolution of the Issuer, the date on which the Issuer is declared bankrupt or the date on which emergency measures (*noodregeling*) in the interest of all creditors, as referred to in Part 3.5.5 of the Wft are declared in respect of the Issuer. Where any amount of interest or Arrears of Interest is not paid in full, each part payment shall be made pro rata to the Tier 3 Noteholders of this Series and shall be in respect of the interest accrued furthest from the date of payment. Any Arrears of Interest shall not themselves bear interest.

"**Own Funds**" means the amount of shareholders' and other funds which qualify as actual own funds (*toetsingsvermogen*) under the Decree on Prudential Rules Wft (*Besluit prudentiële regels Wft*).

(h) *Forfeiting of Interest Payments on Tier 1 Notes*

Notwithstanding anything to the contrary contained elsewhere in this Condition 4 (*Interest*), no interest shall be payable on Tier 1 Notes of any Series on any Interest Payment Date in the event that the Issuer has - based on information contained in its most recently audited annual accounts - no Distributable Items or Distributable Items which are less than the aggregate amount of interest due and payable on all outstanding Tier 1 Notes and any dividends or interest due and payable on any *pari passu* ranking Tier 1 Capital of the Issuer, in each case otherwise payable during the financial year in which the relevant Interest Payment Dates fall. For the avoidance of doubt, if any accrued interest is not payable pursuant to this Condition 4(h), such accrued and unpaid interest shall be forfeited (*vervallen*) and there shall be no cumulation.

"**Tier 1 Capital**" means notes or other debt instruments ranking *pari passu* with the Tier 1 Notes which qualify as tier 1 capital in accordance with the DNB Regulation.

"**Distributable Items**" means distributable items (*middelen die voor uitkering beschikbaar zijn*) as referred to in article 2:3 under b of the DNB Regulation.

"**DNB Regulation**" means the regulation in respect of hybrid instruments as set out by the Dutch Central Bank (*De Nederlandsche Bank N.V.*) and published in the Supervisory Regulation on the Recognition of Hybrid Instruments as Regulatory Capital Components dated 11 December 2007 (*Regeling gelijkstelling hybride instrumenten met eigenvermogensbestanddelen*) issued pursuant to the Decree on Prudential Rules Wft (*Besluit prudentiële regels Wft*).

## 5. **Redemption and Purchase**

(a) *Redemption at Maturity*

Unless previously redeemed, or purchased and cancelled or unless such Note is stated in the Final Terms as having no fixed maturity date, each Note shall be redeemed at its final redemption amount (the "**Final Redemption Amount**") (which shall be its principal amount or such other redemption amount as may be specified in or determined in accordance with the Final Terms) (or, in the case of Instalment Notes, in such number of instalments and in such amounts ("**Instalment Amounts**") as may be specified in, or determined in accordance with the provisions of, the Final Terms) on the date or dates (or, in the case of Notes which bear interest at a floating rate of interest, on the date or dates upon which interest is payable) specified in the Final Terms.

Where the Notes are or relate to:

- (i) A single index, Schedule 1 shall apply;
- (ii) A basket of indices, Schedule 2 shall apply;
- (iii) A single share, Schedule 3 shall apply;
- (iv) A basket of shares, Schedule 4 shall apply;
- (v) A single fund, Schedule 5 shall apply;
- (vi) A basket of funds, Schedule 6 shall apply;

- (vii) First to default credit-linked with physical settlement, Schedule 7 shall apply;
- (viii) First to default credit-linked with cash settlement, Schedule 8 shall apply; and
- (ix) Credit-linked with a static portfolio of reference entities as underlying, Schedule 9 shall apply;
- (x) Inflation-linked, Schedule 11 shall apply;
- (xi) Commodity-linked, Schedule 12 shall apply;
- (xii) Currency-linked, Schedule 13 shall apply.

Where the Notes contain a Credit Default Swap, the relevant standard terms in Schedule 10 shall apply to the confirmation.

(b) *Early Redemption for Taxation Reasons*

If this Condition 5(b) is specified in the Final Terms as being applicable, then if, in relation to any Series of Notes, (i) as a result of any change in the laws, regulations or rulings of The Netherlands or of any political subdivision thereof or any authority or agency therein or thereof having power to tax or in the interpretation or administration of any such laws, regulations or rulings which becomes effective on or after the date of issue of such Notes or any other date specified in the Final Terms, the Issuer would be required to pay additional amounts as provided in Condition 7 (*Taxation*), (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it and (iii) such circumstances are evidenced by the delivery by the Issuer to the Agent of a certificate signed by two directors of the Issuer stating that the said circumstances prevail and describing the facts leading thereto and an opinion of independent legal advisers of recognised standing to the effect that such circumstances prevail, the Issuer may, at its option (but, in the case of Subordinated Notes, subject to consent thereto having been obtained from the Dutch Central Bank (*De Nederlandsche Bank N.V.*) or its successor as the case may be), and having given no less than thirty nor more than sixty days' notice (ending, in the case of Notes which bear interest at a floating rate, on a day upon which interest is payable) to the Holders of the Notes in accordance with Condition 13 (*Notices*) (which notice shall be irrevocable), redeem all (but not some only) of the outstanding Notes comprising the relevant Series at their early tax redemption amount (the "**Early Redemption Amount (Tax)**") (which shall be their principal amount or, in the case of Notes which are non-interest bearing, their Amortised Face Amount (as defined in Condition 5(h)(iii) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms), together with accrued interest (if any) thereon. Provided, however, that no such notice of redemption may be given earlier than 90 days (or, in the case of Notes which bear interest at a floating rate a number of days which is equal to the aggregate of the number of days falling within the then current interest period applicable to the Notes plus 60 days) prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under Condition 5(e).

(c) *Optional Early Redemption (Call)*

If this Condition 5(c) is specified in the Final Terms as being applicable, then the Issuer may subject, in the case of Subordinated Notes to the prior consent of the Dutch Central Bank (*De Nederlandsche Bank N.V.*) or its successor as the case may be, having given the appropriate notice and subject to such conditions as may be specified in the Final Terms, redeem all (but not, unless and to the extent that the Final Terms specifies otherwise, some only) of the Notes of the relevant Series at their call optional redemption amount (the "**Optional Redemption Amount (Call)**") (which shall be their principal amount or, in the case of Notes which are non-interest bearing, their Amortised Face Amount (as defined in Condition 5(h)(iii) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms), together with accrued interest (if any) thereon on the date specified in such notice.

The Issuer may not exercise such option in respect of any Note which is the subject of the prior exercise by the Holder thereof of its option to require the redemption of such Note under Condition 6(e).

The appropriate notice referred to in this Condition (c) is a notice given by the Issuer to the Holders of the Notes of the relevant Series in accordance with Condition 13 (*Notices*), which notice shall be irrevocable and shall specify:

- (i) the Series of Notes subject to redemption;
- (ii) whether such Series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of and (except in the case of a Temporary Global Note, Permanent Global Note or Global Certificate) the serial numbers of the Notes of the relevant Series which are to be redeemed;

- (iii) the due date for such redemption, which shall be not less than thirty days nor more than sixty days after the date on which such notice is given and which shall be such date or the next of such dates ("**Optional Redemption Date(s) (Call)**") or a day falling within such period ("**Notice Period (Call)**"), as may be specified in the Final Terms and which is, in the case of Notes which bear interest at a floating rate, a date upon which interest is payable; and
  - (iv) the Optional Redemption Amount (Call) at which such Notes are to be redeemed.
- (d) *Partial Redemption*

If the Notes of a Series are to be redeemed in part only on any date in accordance with Condition 5(c), the Notes to be redeemed shall be drawn by lot in such European city as the Principal Paying Agent may specify, or identified in such other manner or in such other place as the Principal Paying Agent may approve and deem appropriate and fair, subject always to compliance with all applicable laws and the requirements of any competent authority, stock exchange and/or quotation system on which the relevant Notes may be admitted to listing, trading and/or quotation and, if applicable, the rules and procedures of Euroclear and 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).
- (e) *Optional Early Redemption (Put)*

If this Condition 5(e) is specified in the Final Terms as being applicable, then the Issuer shall, upon the exercise of the relevant option by the Holder of any Unsubordinated Note of the relevant Series, redeem such Unsubordinated Note on the date specified in the relevant Put Notice (as defined below) at its put optional redemption amount (the "**Optional Redemption Amount (Put)**") (which shall be its principal amount or, if such Note is non-interest bearing, its Amortised Face Amount (as defined in Condition 5(h)(iii)) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms), together with accrued interest (if any) thereon. In order to exercise such option, the Holder must, not less than forty-five days before the date on which such redemption is required to be made as specified in the Put Notice (which date shall be such date or the next of the dates ("**Optional Redemption Date(s) (Put)**") or a day falling within such period ("**Notice Period (Put)**") as may be specified in the Final Terms), deposit the relevant Unsubordinated Note (together, in the case of an interest-bearing Unsubordinated Note in bearer form, with all unmatured Coupons appertaining thereto other than any Coupon maturing on or before the date of redemption (failing which the provisions of Condition 8(e) apply)) during normal business hours at the specified office of any Paying Agent (in the case of a Definitive Note) or Registrar (in the case of an Individual Certificate) together with a duly completed early redemption notice ("**Put Notice**") in the form which is available from the specified office of any of the Paying Agents or Registrar. No Unsubordinated Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement).

The holder of a Note may not exercise such option in respect of any Note which is the subject of an exercise by the Issuer of its option to redeem such Note under either Condition 5(b) or 5(c).
- (f) *Purchase of Notes*

Either the Issuer or any of its respective subsidiaries may (but, in the case of Subordinated Notes, subject to consent thereto having been obtained from the Dutch Central Bank (*De Nederlandsche Bank N.V.*) or its successor, as the case may be, at any time purchase Notes in the open market or otherwise and at any price provided that all unmatured Receipts and Coupons appertaining thereto are purchased therewith. If purchases are made by tender, tenders must be available to all Holders of Notes alike.
- (g) *Cancellation of Redeemed and Purchased Notes*

All unmatured Notes and Coupons and unexchanged Talons redeemed or purchased, otherwise than in the ordinary course of business of dealing in securities or as a nominee in accordance with this Condition 5 (*Redemption and Purchase*) will be cancelled forthwith and may not be reissued or resold, and where such Notes are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and/or Euronext Amsterdam by NYSE Euronext, the Issuer will forthwith inform the Luxembourg Stock Exchange and/or Euronext Amsterdam by NYSE Euronext of any such cancellation.
- (h) *Further Provisions applicable to Redemption Amount and Instalment Amounts*
  - (i) The provisions of Conditions 4(b)(vi), (vii) and (viii) shall apply to any determination or calculation of the Redemption Amount or any Instalment Amount required by the Final Terms to be made by the Calculation Agent.
  - (ii) References herein to "**Redemption Amount**" shall mean, as appropriate, the Final Redemption Amount, the final Instalment Amount, Early Redemption Amount (Tax), Early Redemption Amount (Illegality), Optional Redemption Amount (Call), Optional Redemption Amount (Put) and

Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms.

- (iii) In the case of any Note which is non-interest bearing (Zero Coupon Note), the “**Amortised Face Amount**” shall be an amount equal to the sum of:
  - (A) the Issue Price specified in the Final Terms; and
  - (B) the product of the Amortisation Yield (compounded annually) being applied to the Issue Price from (and including) the Issue Date specified in the Final Terms to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable.
- (iv) In the case of a Note (other than a Zero Coupon Note, an Index-Linked Note, an Equity-Linked Note, a Fund-Linked Note, a Credit-Linked Note, a Commodity-Linked Note, Currency-Linked Note or a Inflation-Linked Note) with a Final Redemption Amount equal to the Issue Price, the Redemption Amount shall be the Final Redemption Amount thereof or as otherwise provided in the applicable Final Terms.
- (v) In the case of a Note (other than a Zero Coupon Note, an Index-Linked Note, an Equity-Linked Note, a Fund-Linked Note, a Credit-Linked Note, a Commodity-Linked Note, Currency-Linked Note or a Inflation-Linked Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, the Redemption Amount shall be 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 its nominal amount.
- (vi) In the case of an Index-Linked Note, an Equity-Linked Note, a Fund-Linked Note, a Credit-Linked Note, a Commodity-Linked Note, Currency-Linked Note or a Inflation-Linked Note, the Redemption Amount shall be specified in the applicable Schedule below or, if no Redemption Amount is so specified, at its fair market value (as determined by the relevant Calculation Agent) as at the date of redemption less the costs to the Issuer of unwinding or amending any related hedging arrangements.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of the Day Count Fraction (as defined in Condition 4(b)(vi)) specified in the Final Terms for the purposes of this Condition 5(h).

In the case of any Note which is non-interest bearing, if any Redemption Amount (other than the Final Redemption Amount) is improperly withheld or refused or default is otherwise made in the payment thereof, the Amortised Face Amount shall be calculated as provided in Condition 5(h)(iii) but as if references in subparagraph (ii) to the date fixed for redemption or the date upon which such Note becomes due and repayable were replaced by references to the earlier of:

- (A) the date on which, upon due presentation or surrender of the relevant Note (if required), the relevant payment is made; and
- (B) except where presentation or surrender of the relevant Note is not required as a precondition of payment, the seventh day after the date on which, the Principal Paying Agent or the Registrar having received the funds required to make such payment, notice is given to the Holders of the Notes in accordance with Condition 13 (*Notices*) of that circumstance (except to the extent that there is a failure in the subsequent payment thereof to the relevant Holder).

(i) *Early Redemption for illegality*

In the case of Index-Linked Notes, Equity-Linked Notes, Fund-Linked Notes, Credit-Linked Notes, Commodity-Linked Notes, Currency-Linked or Inflation-Linked Notes, in the case of Subordinated Notes subject to the prior consent of the Dutch Central Bank (*De Nederlandsche Bank N.V.*) or its successor as the case may be and unless otherwise specified in the applicable Final Terms, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time on such date as the Issuer may notify to the Noteholders in accordance with Condition 13 (*Notices*) if the Issuer determines that the performance by the Issuer of its obligations under the Notes has become unlawful under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power.

Notes redeemed pursuant to this Condition 5(i) will be redeemed at the Early Redemption Amount (Illegality) referred to in paragraph (h) above together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(j) *Deferral of Principal on Tier 3 Notes*

Notwithstanding anything to the contrary contained elsewhere in this Condition 5 (*Redemption and Purchase*), principal on the Tier 3 Notes of this Series will not be payable on any Interest Payment Date or specified Interest Payment Date (or for Specified Periods) if and to the extent that at the time of, or as a result of, such payment the Issuer's actual Own Funds would amount to less than 100 per cent. of the Issuer's required minimum amount of Own Funds under the Decree on Prudential Rules Wft. Any principal in respect of the Tier 3 Notes of this Series not paid on an Interest Payment Date or specified Interest Payment Date or for a Specified Period on which such principal would otherwise be payable will constitute arrears of principal ("**Arrears of Principal**") and will become payable and will be paid by the Issuer as soon as and to the extent that the Issuer will, after such payment has been made, meet the solvency test referred to in the previous sentence. Any Arrears of Principal will also become fully payable on the date of the dissolution of the Issuer, the date on which the Issuer is declared bankrupt or the date on which emergency measures (*noodregeling*) in the interest of all creditors, as referred to in Part 3.5.5 of the Wft are declared in respect of the Issuer. Where any amount of principal or Arrears of Principal is not paid in full, each part payment shall be made pro rata to the Tier 3 Noteholders of this Series and shall be in respect of the principal accrued furthest from the date of payment. Any Arrears of Principal shall not themselves bear interest.

(k) *Redemption of Tier 1 Notes*

Redemption of Tier 1 Notes of any Series is subject to prior written approval from the Dutch Central Bank (*De Nederlandsche Bank N.V.*), provided that if the Tier 1 Notes cease to qualify as Tier 1 Capital and/or cease to (partly) qualify as upper Tier 2 Capital in accordance with the DNB Regulation, such redemption shall not require the approval of the Dutch Central Bank (*De Nederlandsche Bank N.V.*), and the Issuer may, but shall not be obliged to, redeem any or all Tier 1 Notes on the next succeeding Interest Payment Date at the Early Redemption Amount after having given notice to the Noteholders in accordance with Condition 13 (*Notices*) at least 15 days prior to the early redemption date.

6. **Events of Default and Subordination Events**

(a) *Events of Default*

The following events or circumstances as modified by, and/or such other events as may be specified in, the Final Terms (each an "**Event of Default**") shall be acceleration events in relation to the Unsubordinated Notes of any Series, namely:

- (i) the Issuer fails to pay for a period of five (5) days or more any interest on any of the Notes when due and, if such non-payment is due to technical reasons or administrative error (and only in that case) such default has not been remedied within 5 Business Days (in Luxembourg) of such non-payment; or
- (ii) the Issuer does not perform or comply with any one or more of its other obligations in the Notes of the relevant Series or the Agency Agreement which default is incapable of remedy or, if capable of remedy, is not remedied within 30 days after written notice of such default shall have been given to the Issuer at the specified office of the Agent by the Holder of any such Note; or
- (iii)
  - (A) any other present or future indebtedness of the Issuer or any Material Group Company for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer, or
  - (B) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or
  - (C) the Issuer or any Material Group Company fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised,

provided that it shall not constitute an Event of Default if the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition (iii) have occurred is less than EUR 25,000,000 (or its equivalent in any other currency or currencies); or

- (iv) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer or any Material Group Company and is not discharged or stayed within 30 days; or
- (v) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any Material Group Company becomes enforceable and any step is taken to



enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) and not retracted, cancelled or stayed within 30 days; or

- (vi) the Issuer or any Material Group Company is (or is deemed by law or a court to be) insolvent, applies for its own bankruptcy, is declared bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts (or of any part which it will otherwise be unable to pay when due), proposes or makes a general assignment, or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium is agreed or declared in respect of or affecting all or any part of the debts of the Issuer or any Material Group Company, or, in the case of the any Material Group Company which is incorporated in The Netherlands, a "*surseance van betaling*" under Dutch law is agreed, applied for or declared in respect of or affecting all or any part of its debts or an application is filed for a declaration or, in the case of the Issuer, it is in a situation which requires Emergency Regulations; or
- (vii) an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any Material Group Company, or the Issuer ceases or threatens to cease to carry on all or a material part of its business or operations, except in either case, for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger, de-merger or consolidation (i) in the case of any Material Group Company, whereby the whole or substantially the whole of the undertaking and the assets of the Material Group Company are transferred to or otherwise vested in the Issuer or any other Group Company, or (ii) in the case of the Issuer, pursuant to which the whole or substantially the whole of the undertaking and the assets of the Issuer are transferred to the surviving company and the surviving company has assumed all of the obligations of the Issuer.

For the purposes of this Condition:

**"Material Group Company"** means any Group Company (i) whose net profit after tax and minority interests but before extraordinary items or (ii) whose net assets in each case as shown by the latest audited non-consolidated financial statements (or, where the Group Company in question itself prepares consolidated financial statements, consolidated financial statements), of such Group Company used for the purpose of the latest audited consolidated financial statements of the Issuer represent at least 5 per cent. of the consolidated net profit after tax and minority interests but before extraordinary items or 3 per cent. of the net assets, respectively, of the Issuer as shown by such consolidated financial statements. A report of the Auditors that in their opinion a Group Company is or is not or was or was not at any particular time a Material Group Company shall be conclusive and binding on all parties.

**"Group Company"** means the Issuer and any other company which is a subsidiary of the Issuer.

If any Event of Default shall occur in relation to any Series of Unsubordinated Notes, any Holder of an Unsubordinated Note of the relevant Series may, by written notice to the Issuer at the specified office of the Agent, declare that such Unsubordinated Note and (if the Unsubordinated Note is interest bearing) all interest then accrued on such Unsubordinated Note shall be forthwith due and payable, whereupon the same shall become immediately due and payable at its early termination amount (the **"Early Termination Amount"**) (which shall be its principal amount or, if such Unsubordinated Note is non-interest bearing, its Amortised Face Amount (as defined in Condition 5(h)(iii)) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms), together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Unsubordinated Notes to the contrary notwithstanding, unless, prior thereto, all Events of Default in respect of the Unsubordinated Notes of the relevant Series shall have been cured.

(b) *Subordination Events:*

If an order is made or an effective resolution is passed for the dissolution or liquidation of the Issuer (a **"Subordination Event"**) any Holder of a Subordinated Note may by written notice to the Issuer at the specified office of the Agent, declare that such Subordinated Note and all interest then accrued on such Note to be forthwith due and payable, whereupon the same shall, subject to the approval of the Dutch Central Bank (*De Nederlandsche Bank N.V.*), (if required) become immediately due and payable at its early termination amount (the **"Early Termination Amount"**) (which shall be its principal amount or, if such Note is non-interest bearing, its Amortised Face Amount (as defined in Condition 5(h)(iii)) or such other redemption amount as may be specified in, or determined in accordance with the provisions of, the Final Terms), together with all interest (if any) accrued thereon without presentment, demand, protest or other notice of any kind, all of which the Issuer will expressly waive, anything contained in such Notes to the contrary notwithstanding, unless, prior thereto, such Subordination Event in respect of the Notes shall have been cured.

## 7. Taxation

- (a) All amounts payable (whether in respect of principal, interest or otherwise) in respect of the Notes and the Coupons by or on behalf of the Issuer will be made free and clear of and 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 The Netherlands or any political subdivision thereof or any authority or agency therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, and unless otherwise indicated in the applicable Final Terms, the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by the Holder after such withholding or deduction shall equal the respective amounts which would have been receivable by such Holder in the absence of such withholding or deduction; except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:
- (i) by a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with The Netherlands or Belgium other than the mere holding of such Note or Coupon; or
  - (ii) more than 30 days after the Relevant Date, except to the extent that the relevant Holder would have been entitled to such additional amounts if it had presented the relevant Note or Coupon for payment on the last day of such period of 30 days; or
  - (iii) where such withholding or deduction is imposed on a payment to an individual or a residual entity within the meaning of the European Council Directive 2003/48/EC and is required to be made pursuant to European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
  - (iv) by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a member state of the European Union.
- (b) For the purposes of these Conditions, the “**Relevant Date**” means, in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Principal Paying Agent on or prior to such due date, it means the first date on which, the full amount of such moneys having been so received and being available for payment to Holders, notice to that effect shall have been duly given to the Holders of the Notes of the relevant Series in accordance with Condition 13 (*Notices*).
- (c) If the Issuer becomes subject generally at any time to any taxing jurisdiction other than or in addition to The Netherlands references in Condition 5(b) and Condition 7(a) to The Netherlands shall be read and construed as references to The Netherlands and/or to such other jurisdiction(s).
- (d) Any reference in these Conditions to “**principal**” and/or “**interest**” in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 7 (*Taxation*). Unless the context otherwise requires, any reference in these Conditions to “**principal**” shall include any premium payable in respect of a Note, any Instalment Amount or Redemption Amount and any other amounts in the nature of principal payable pursuant to these Conditions and “**interest**” shall include all amounts payable pursuant to Condition 4 (*Interest*) and any other amounts in the nature of interest payable pursuant to these Conditions.

## 8. Payments

- (a) Payment of amounts (other than interest) due in respect of Notes will be made against presentation and (save in the case of partial payment or payment of an Instalment Amount (other than the final Instalment Amount)) surrender of the relevant Notes at the specified office of any of the Paying Agents.

Payment of Instalment Amounts (other than the final Instalment Amount) in respect of an Instalment Note will be made against presentation of the Note together with (where applicable) the relevant Receipt and surrender of such Receipt.

The Receipts are not and shall not in any circumstances be deemed to be documents of title and if separated from the Note to which they relate will not represent any obligation of the Issuer. Accordingly, the presentation of a Note without the relative Receipt or the presentation of a Receipt without the Note to which it appertains shall not entitle the Holder to any payment in respect of the relevant Instalment Amount.

- (b) Payment of amounts in respect of interest on Notes will be made:
- (i) in the case of Notes without Coupons attached thereto at the time of their initial delivery, against presentation of the relevant Notes at the specified office of any of the Paying Agents outside (unless Condition 8(c) applies) the United States; and
  - (ii) in the case of Notes delivered with Coupons attached thereto at the time of their initial delivery, against surrender of the relevant Coupons or, in the case of interest due otherwise than on a scheduled date for the payment of interest, against presentation of the relevant Notes, in either case at the specified office of any of the Paying Agents outside (unless Condition 8(c) applies) the United States.
- (c) Payments of amounts due in respect of interest on the Notes and exchanges of Talons for Coupon sheets in accordance with Condition 8(f) will not be made at the specified office of any Paying Agent in the United States (as defined in the United States Internal Revenue Code and Regulations thereunder) unless (a) payment in full of amounts due in respect of interest on such Notes when due or, as the case may be, the exchange of Talons at all the specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (b) such payment or exchange is permitted by applicable United States law. If paragraphs (a) and (b) of the previous sentence apply, the Issuer shall forthwith appoint a further Paying Agent with a specified office in New York City.
- (d) If the due date for payment of any amount due in respect of any Note is not a Relevant Financial Centre Day and a Local Banking Day (each as defined in Condition 8(i)), then the Holder thereof will not be entitled to payment thereof until the next day which is such a day, (or as otherwise specified in the Final Terms) and from such day and thereafter will be entitled to receive payment by cheque on any Local Banking Day, and will be entitled to payment by transfer to a designated account on any day which is a Local Banking Day, a Relevant Financial Centre Day and a day on which commercial banks and foreign exchange markets settle payments in the relevant currency in the place where the relevant designated account is located and no further payment on account of interest or otherwise shall be due in respect of such delay or adjustment unless there is a subsequent failure to pay in accordance with these Conditions in which event interest shall continue to accrue as provided in Condition 4(e) (or, if appropriate, Condition 4(f)).
- (e) Each Note initially delivered with Coupons, Talons or Receipts attached thereto should be presented and, save in the case of partial payment of the Redemption Amount, surrendered for final redemption together with all unmatured Receipts, Coupons and Talons relating thereto, failing which:
- (i) if the Final Terms specify that this paragraph (i) of Condition 8(e) is applicable (and, in the absence of specification, this paragraph (i) shall apply to Notes which bear interest at a fixed rate or rates or in fixed amounts) and subject as hereinafter provided, the amount of any missing unmatured Coupons (or, in the case of a payment not being made in full, that portion of the amount of such missing Coupon which the Redemption Amount paid bears to the total Redemption Amount due) (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) will be deducted from the amount otherwise payable on such final redemption, the amount so deducted being payable against surrender of the relevant Coupon at the specified office of any of the Paying Agents at any time within ten years of the Relevant Date applicable to payment of such Redemption Amount;
  - (ii) if the Final Terms specifies that this paragraph (ii) of Condition 8(e) is applicable (and, in the absence of specification, this paragraph (ii) shall apply to Notes which bear interest at a floating rate or rates or in variable amounts) all unmatured Coupons (excluding, for this purpose, but without prejudice to paragraph (iii) below, Talons) relating to such Notes (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them;
  - (iii) in the case of Notes initially delivered with Talons attached thereto, all unmatured Talons (whether or not surrendered therewith) shall become void and no exchange for Coupons shall be made thereafter in respect of them; and
  - (iv) in the case of Notes initially delivered with Receipts attached thereto, all Receipts relating to such Notes in respect of a payment of an Instalment Amount which (but for such redemption) would have fallen due on a date after such due date for redemption (whether or not surrendered therewith) shall become void and no payment shall be made thereafter in respect of them.

The provisions of paragraph (i) of this Condition 8(e) notwithstanding, if any Notes should be issued with a maturity date and a Rate of Interest or Rates of Interest such that, on the presentation for payment of any such Note without any unmatured Coupons attached thereto or surrendered therewith, the amount required by paragraph (i) to be deducted would be greater than the Redemption Amount otherwise due for payment, then, upon the due date for redemption of any such Note, such unmatured Coupons (whether or not attached) shall become void (and no payment shall be made in respect thereof) as shall be required so that, upon application of the provisions of paragraph (i) in respect of such Coupons as have not so become

void, the amount required by paragraph (i) to be deducted would not be greater than the Redemption Amount otherwise due for payment. Where the application of the foregoing sentence requires some but not all of the unmatured Coupons relating to a Note to become void, the relevant Paying Agent shall determine which unmatured Coupons are to become void, and shall select for such purpose Coupons maturing on later dates in preference to Coupons maturing on earlier dates.

- (f) In relation to Notes initially delivered with Talons attached thereto, on or after the due date for the payment of interest on which the final Coupon comprised in any Coupon sheet matures, the Talon comprised in the Coupon sheet may be surrendered at the specified office of any Paying Agent outside (unless Condition 8(c) applies) the United States in exchange for a further Coupon sheet (including any appropriate further Talon), subject to the provisions of Condition 9 (*Prescription*) below. Each Talon shall, for the purpose of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.
- (g) Payments of amounts due (whether principal, interest or otherwise) in respect of Notes will be made in the currency in which such amount is due (a) by cheque or (b) at the option of the payee, by transfer to an account denominated in the relevant currency specified by the payee. Payments will, without prejudice to the provisions of Condition 7 (*Taxation*), be subject in all cases to any applicable fiscal or other laws and regulations.
- (h) *Payments in respect of Registered Notes*

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date (the "**Record Date**"). Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than EUR250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne or Wellington, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "**Record Date**") at his address shown in the Register on the Record Date and at his risk.

Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

None of the Issuer or the Agents 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 Registered Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

- (i) For the purposes of these Conditions:
  - (i) **“Relevant Financial Centre Day”** means (unless otherwise stated in the applicable Final Terms) (aa) 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 in the Principal Financial Centre and in any Additional Financial Centre specified in the Final Terms or (bb) in relation to any sum payable in euro, a day on which the TARGET2 system is open and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre;
  - (ii) **“Local Banking Day”** means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the place of presentation of the relevant Note or, as the case may be, Coupon; and
  - (iii) **“Principal Financial Centre”** means, in relation to any Specified Currency, the principal financial centre for that currency provided, however that in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent.
- (j) No commissions or expenses shall be charged to the Holders of Notes or Coupons in respect of such payments.

## 9. Prescription

- (a) Claims against the Issuer for payment of principal and interest in respect of Notes will be prescribed and become void unless made, within five years after the Relevant Date (as defined in Condition 7(b)) for payment thereof.
- (b) In relation to Definitive Notes initially delivered with Talons attached thereto, there shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue pursuant to Condition 8(e) or the due date for the payment of which would fall after the due date for the redemption of the relevant Note or which would be void pursuant to this Condition 9 (*Prescription*) or any Talon the maturity date of which would fall after the due date for redemption of the relevant Note.

## 10. The Paying Agents, the Calculation Agent, the Registrar and the Transfer Agent

- (a) The initial Paying Agents, the Registrar, the Transfer Agent and their respective initial specified offices are specified below. The Calculation Agent in respect of any Notes shall be specified in the Final Terms. the Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent (including the Agent and Principal Paying Agent), the Calculation Agent, the Registrar or the Transfer Agent and to appoint additional or other Paying Agents or another Calculation Agent, Registrar or Transfer Agent provided that it will at all times maintain (i) a Principal Paying Agent and, as long as any Notes in registered form are outstanding, a Registrar and a Transfer Agent, (ii) a Paying Agent with a specified office in a continental European city, (iii) so long as the Notes are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and/or admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system, a Paying Agent with a specified office in Luxembourg and/or in such other place as may be required by the rules of such other competent authority, stock exchange and/or quotation system, (iv) in the circumstances described in Condition 8(c), a Paying Agent with a specified office in New York City, (v) a Paying Agent in a European Union member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive, and (vi) a Calculation Agent where required by the Conditions applicable to any Notes (in the case of (i), (ii), (iii), (iv), (v) and (vi) with a specified office located in such place (if any) as may be required by the Conditions). The Paying Agents, the Registrar, the Transfer Agent and the Calculation Agent reserve the right at any time to change their respective specified offices to some other specified office in the same city. Notice of all changes in the identities or specified offices of any Paying Agent, the Calculation Agent, the Registrar or the Transfer Agent will be given promptly by the Issuer to the Holders in accordance with Condition 13 (*Notices*).
- (b) The Paying Agents, the Calculation Agent, the Registrar and Transfer Agent act solely as agents of the Issuer and, save as provided in the Agency Agreement or any other agreement entered into with respect to its appointment, do not assume any obligations towards or relationship of agency or trust for any Holder of any Note, Receipt or Coupon and each of them shall only be responsible for the performance of the duties and obligations expressly imposed upon it in the Agency Agreement or other agreement entered into with respect to its appointment or incidental thereto.

## 11. **Transfer of Individual Certificates and Replacement of Notes, Receipts and Coupons**

Subject as provided below upon the terms and subject to the conditions set forth in the Agency Agreement, Registered Notes may be transferred in whole or in part (in the Specified Denomination or any integral multiple of the Specified Denomination) by the transferor depositing the relevant Certificate for registration of the transfer of the Registered Note at the specified office of the Registrar or any Transfer Agent, with the form of transfer endorsed thereon duly completed and signed by or on behalf of the transferor and upon the Registrar or 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 Transfer Agent may prescribe, including any restrictions imposed by the Issuer on transfers of Registered Notes originally sold to a U.S. person. Subject as provided above, the Registrar or Transfer Agent will, within 5 Business Days of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver at its specified office to the transferee or (at the risk of the transferee) send by regular uninsured mail to such address as the transferee may request a new Certificate evidencing the Registered Note transferred. In the case of the transfer of part only of the Registered Notes evidenced by a Certificate, a new Certificate in respect of the Registered Notes not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

For the purposes of this Condition 11, "**Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant city.

No exchange of a Bearer Note for a Registered Note or a Registered Note for a Bearer Note will be permitted.

No Noteholder may require the transfer of a Registered Note to be registered:

- (i) during the period of fifteen days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note;
- (ii) during the period of fifteen days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(c);
- (iii) after any such Note has been called for redemption; or
- (iv) during the period of seven days ending on (and including) any Record Date.

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange.

If any Note, Receipt or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent or any Paying Agent (in the case of a Bearer Note, Receipt or Coupon) or the Registrar (in the case of a Registered Note) (each a "**Replacement Agent**"), subject to all applicable laws and the requirements of any competent authority, stock exchange and/or quotation system on which the Notes are admitted to listing, trading and/or quotation upon payment by the claimant of all expenses incurred in connection with such replacement and upon such terms as to evidence, security, indemnity and otherwise as the Issuer and the Replacement Agent may require.

Mutilated or defaced Notes, Receipts and Coupons must be surrendered before replacements will be delivered therefor.

## 12. **Meetings of Holders and Modification**

The Agency Agreement contains provisions (which shall have effect as if incorporated herein) for convening meetings of the Holders of Notes of any Series to consider any matter affecting their interest, including (without limitation) the modification by Extraordinary Resolution (as defined in the Agency Agreement) of these Conditions insofar as the same may apply to such Notes. An Extraordinary Resolution passed at any meeting of the Holders of Notes of any Series will be binding on all Holders of the Notes of such Series, whether or not they are present at the meeting, and on all Holders of Coupons relating to Notes of such Series.

The Issuer may, with the consent of the Agent but without the consent of the Holders of the Notes of any Series or Coupons, amend these Conditions insofar as they may apply to such Notes to correct a manifest error. Subject as aforesaid, no other modification may be made to these Conditions except with the sanction of an Extraordinary Resolution.

### 13. Notices

#### (a) *Bearer Notes*

##### (i) Notes in Global Form

So long as any Tranche of Notes is represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to Holders of Notes of that Tranche will, save where another means of effective communication has been specified herein or in the applicable Final Terms, be deemed to be validly given if given by delivery of the relevant notice to the clearing system for communication by it to the Relevant Accountholders in respect of the relevant Notes. If such delivery is not practicable, notices will be deemed to be validly given if published in a leading English language daily newspaper having general circulation in the European Union (which is expected to be the Financial Times).

Notices to Holders of Notes of any Tranche may, at the sole discretion of the Issuer and solely for informational purposes, also be published on the website of the Issuer and/or of any other entity specified in the applicable Final Terms for this purpose.

##### (ii) Notes admitted to Listing, Trading and/or Quotation

So long as any Tranche of Notes is admitted to listing, trading and/or quotation by any competent authority, stock exchange or quotation system, notices to Holders of Notes of that Tranche will, save where another means of effective communication has been specified herein or in the applicable Final Terms, be deemed to be validly given if:

- (A) in the case a Tranche of Notes admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange (so long as such Notes are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and any applicable laws, rules or regulations so require), published in a leading newspaper having general circulation in Luxembourg (which is expected to be the Luxembourgischer Wort) or on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)), and/or in such other manner as may be required by applicable laws, rules and regulations from time to time; and/or
- (B) in the case a Tranche of Notes admitted to listing and trading on Euronext Amsterdam by NYSE Euronext (so long as such Notes are admitted to listing and trading on Euronext Amsterdam by NYSE Euronext and any applicable laws, rules or regulations so require), published in such manner as may be required by applicable laws, rules and regulations from time to time; and/or
- (C) in the case of a Tranche of Notes admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system, if published in such manner as may be required by applicable laws, rules and regulations from time to time;

##### (iii) In any other cases

Where both Condition 13(a)(i) and Condition 13(a)(ii) are inapplicable, notices will, save where another means of effective communication has been specified herein or in the applicable Final Terms, be deemed to be validly given if published in a leading daily newspaper having general circulation in the European Union (which is expected to be the Financial Times).

##### (iv) General

For the avoidance of doubt, where both Condition 13(a)(i) and Condition 13(a)(ii) apply, notices must be given in the manner specified in Condition 13(a)(i) and in the manner specified in Condition 13(a)(ii) in order to be deemed to have been validly given.

Any notice given in accordance with Condition 13(a)(i), Condition 13(a)(ii) or Condition 13(a)(iii) above will be deemed to have been validly given on the date and time of first such notification (or, if required to be notified in more than one manner, on the first date on which notification shall have been made in all required manners).

Holders of Coupons will be deemed for all purposes to have notice of the contents of any notice validly given to Holders of Notes in accordance with this Condition 13 (*Notices*).

#### (b) *Registered Notes*

All notices regarding Registered Notes will be deemed to be validly given if sent by mail to the holder(s) (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange and the rules of such stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by the rules of that stock exchange (or any other relevant authority).

(c) *Notices by Noteholders*

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Definitive Note) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent via Euroclear and/or Clearstream, Luxembourg or Euroclear Netherlands, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg or Euroclear Netherlands, as the case may be, may approve for this purpose.

14. **Further Issues**

the Issuer may from time to time, without the consent of the Holders of any Notes or Coupons, create and issue further instruments, bonds or debentures having the same terms and conditions as such Notes in all respects (or in all respects except for the first payment of interest, if any, on them and/or the denomination thereof) so as to form a single series with the Notes of any particular Series.

15. **Currency Indemnity**

The currency in which the Notes are denominated or, if different, payable, as specified in the Final Terms (the “**Contractual Currency**”), is the sole currency of account and payment for all sums payable by the Issuer in respect of the Notes, including damages. Any amount received or recovered in a currency other than the Contractual Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Holder of a Note or Coupon in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the Contractual Currency which such Holder is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount is less than the amount in the Contractual Currency expressed to be due to any Holder of a Note or Coupon in respect of such Note or Coupon the Issuer shall indemnify such Holder against any loss sustained by such Holder as a result. In any event, the Issuer shall indemnify each such Holder against any cost of making such purchase which is reasonably incurred. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Holder of a Note or Coupon and shall continue in full force and effect despite any judgment, order, claim or proof for a liquidated amount in respect of any sum due in respect of the Notes or any judgment or order. Any such loss aforesaid shall be deemed to constitute a loss suffered by the relevant Holder of a Note or Coupon and no proof or evidence of any actual loss will be required by the Issuer.

16. **Substitution of the Issuer**

(a) The Issuer may, without the consent of any Holder of Notes or of Coupons, substitute for itself any other body corporate as the debtor in respect of the Notes, any Coupons and the Agency Agreement (the “**Substituted Debtor**”) upon notice by the Issuer and the Substituted Debtor to be given in accordance with Condition 13 (*Notices*), provided that:

- (i) the Issuer is not in default in respect of any amount payable under the Notes;
- (ii) the Issuer and the Substituted Debtor have entered into such documents (the “**Documents**”) as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Holder of Notes to be bound by these Conditions and the provisions of the Agency Agreement as the debtor in respect of the Notes in place of the Issuer (or of any previous substitute under this Condition 16 (*Substitution of the Issuer*));
- (iii) if the Substituted Debtor is resident for tax purposes in a territory (the “**New Residence**”) other than that in which the Issuer prior to such substitution was resident for tax purposes (the “**Former Residence**”), the Documents contain an undertaking and/or such other provisions as may be necessary to ensure that each Holder of Notes has the benefit of an undertaking in terms corresponding to the provisions of Condition 7 (*Taxation*), with the substitution of references to the Former Residence with references to the New Residence;
- (iv) the Substituted Debtor and the Issuer have obtained all necessary governmental approvals and consents for such substitution and for the performance by the Substituted Debtor of its obligations under the Documents;
- (v) legal opinions shall have been delivered to the Agent from lawyers of recognised standing in the jurisdiction of each territory referred to in (iv) above, as to the fulfilment of the requirements of this Condition 16 (*Substitution of the Issuer*) and that the Notes, Receipts, Coupons and Talons are legal, valid and binding obligations of the Substituted Debtor;
- (vi) if Notes issued or to be issued under the Programme have been assigned a credit rating by S&P and/or Moody's and/or Fitch as the case may be, shall have confirmed that following the



proposed substitution of the Substituted Debtor, the credit rating of the Notes will not be adversely affected; and

- (vii) each competent authority, stock exchange and/or quotation system on which the Notes are admitted to listing, trading and/or quotation shall have confirmed that, following the proposed substitution of the Substituted Debtor, the Notes will continue to be admitted to listing, trading and/or quotation on such competent authority, stock exchange and/or quotation system.
- (b) Upon such substitution the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power, of the Issuer under the Notes, any Coupons and the Agency Agreement with the same effect as if the Substituted Debtor had been named as the Issuer herein, and the Issuer shall be released from its obligations under the Notes, any Coupons and the Agency Agreement.
- (c) After a substitution pursuant to Condition 16(a) the Substituted Debtor may, without the consent of any Holder of Notes or of Coupons, effect a further substitution. All the provisions specified in Conditions 16(a) and 16(b) shall apply *mutatis mutandis*, and references in these Conditions to the Issuer shall, where the context so requires, be deemed to be or include references to any such further Substituted Debtor.
- (d) After a substitution pursuant to Condition 16(a) or 16(c) any Substituted Debtor may, without the consent of any Holder of Notes or of Coupons, reverse the substitution, *mutatis mutandis*.
- (e) The Documents shall be delivered to, and kept by, the Agent. Copies of the Documents will be available free of charge at the specified office of each of the Paying Agents.

#### 17. **Waiver and Remedies**

No failure to exercise, and no delay in exercising, on the part of the Holder of any Note, any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

#### 18. **Governing Law and Jurisdiction**

##### (a) *Governing Law*

The Notes, the Coupons and any non-contractual obligations arising out of or in connection therewith are governed by, and shall be construed in accordance with, by Dutch law.

##### (b) *Netherlands courts*

The courts of Amsterdam, The Netherlands, judging in first instance, and in its appellate courts shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including a dispute relating to the existence, validity or cancellation of the Notes) or the consequences of their nullity.

##### (c) *Rights of the Holders of Notes to take proceedings outside The Netherlands*

Condition 18(b) is for the benefit of the Holders of Notes only. As a result, nothing in this Condition 18 (*Governing Law and Jurisdiction*) prevents any Holder of Notes from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Holders of Notes may take concurrent Proceedings in any number of jurisdictions.

#### 19. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the applicable Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

## SCHEDULE 1: SINGLE INDEX

The terms and conditions applicable to Notes linked to a single index shall comprise the Terms and Conditions of the Medium Term Notes set out above (the "**Principal Conditions**") and the additional terms and conditions set out below (the "**Single Index-Linked Conditions**") in each case subject to the applicable Final Terms. In the event of any inconsistency between (i) the Principal Conditions and the Single Index-Linked Conditions, the Single Index-Linked Conditions shall prevail. In the event of any inconsistency between (i) the Principal Conditions and/or the Single Index-Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

### 1. Final Redemption

For the purposes of Principal Condition 5(a) and unless previously redeemed or purchased and cancelled in accordance with the Conditions, the Final Redemption Amount payable per Note on the Maturity Date shall be an amount in the Specified Currency determined by the Calculation Agent as set forth in the Final Terms and the following provisions.

### 2. Definitions

**"Additional Disruption Event"** means any event(s) specified as such in the applicable Final Terms.

**"Averaging Dates"** means, in respect of each Valuation Date, each of the dates specified as such in the applicable Final Terms, if any, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to the provisions of Single Index-Linked Condition 3 below.

**"Barrier Level"** means the level of the Index specified as such or otherwise determined as provided in the applicable Final Terms, subject to adjustment in accordance with Single Index-Linked Condition 4 below.

**"Disrupted Day"** means any Scheduled Trading Day on which (i) if "Multi-Exchange Index" is specified in the applicable Final Terms, the Index Sponsor fails to publish the level of the Index or, if "Multi-Exchange Index" is not so specified, the Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) a Market Disruption Event has occurred.

**"Early Closure"** means the closure on any Exchange Business Day of the relevant Exchange(s) or Related Exchange(s), if any, prior to its/their Scheduled Closing Time unless such earlier closing time is announced by the relevant Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the relevant Exchange(s) or such Related Exchange(s) system(s) for execution at the Valuation Time on such Exchange Business Day.

**"Exchange(s)"** means the exchange or quotation system specified in the applicable Final Terms or, if "Multi-Exchange Index" is specified in the applicable Final Terms, in respect of any securities comprised in the Index, the stock exchanges (from time to time) on which in the determination of the Calculation Agent such securities are listed for the purposes of such Index or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprised in the Index has temporarily been relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities underlying such Index on such successor or substitute exchange or quotation system as on the original Exchange).

**"Exchange Business Day"** means any Scheduled Trading Day on which the relevant Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding such relevant Exchange or any such relevant Related Exchange closing prior to its Scheduled Closing Time.

**"Exchange Disruption"** means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, if "Multi-Exchange Index" is specified in the Final Terms, any security comprised in the Index on any relevant Exchange or, if "Multi-Exchange Index" is not so specified, securities that comprise 20 per cent or more of the level of the Index on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Index on any relevant Related Exchange.

**"Expiration Date"** means the date (if any) specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to the provisions of Single Index-Linked Condition 3 below.

**"Final Index Level"** means:

- (a) in respect of any Valuation Date or Observation Date, the Index Level on such Valuation Date or Observation Date; and
- (b) in respect of the Averaging Dates relating to an Observation Period or a Valuation Date, the arithmetic average as determined by the Calculation Agent (rounded to the nearest unit of the

Specified Currency in which the Index is valued (with halves being rounded up)) of the Index Levels on each of such Averaging Dates.

**"Index"** means the index specified in the applicable Final Terms, or any Successor Index.

**"Index Cancellation"** means the Index Sponsor permanently cancels the Index and no Successor Index exists.

**"Index Disruption"** means the Index Sponsor fails to calculate and announce the Index Level.

**"Index Level"** means, on any relevant Scheduled Trading Day, the official closing level of the Index, as calculated and published by the Index Sponsor.

**"Index Modification"** means the Index Sponsor announces that it will make a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and capitalization and other routine events).

**"Index Sponsor"** means in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Final Terms.

**"Initial Index Level"** means the level of the Index specified as such or otherwise determined as provided in the applicable Final Terms or, if no such level is so specified or otherwise so determined, the level of the Index as determined by the Calculation Agent as of the Valuation Time on the Strike Date, subject to adjustment in accordance with Single Index-Linked Condition 4 below.

**"Market Disruption Event"** means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines in its sole discretion is material at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, provided that, if "Multi-Exchange Index" is specified in the Final Terms, the securities comprised in the Index in respect of which an Early Closure, an Exchange Disruption and/or a Trading Disruption occurs or exists amount, in the determination of the Calculation Agent, in aggregate to 20 per cent. or more of the level of the Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Calculation Agent.

**"Observation Date"** means each date, if any, specified as such in the Final Terms, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to the provisions of Single Index-Linked Condition 3 below.

**"Observation Period"** has the meaning ascribed to it in the Final Terms.

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

**"Scheduled Closing Time"** means in respect of the relevant Exchange(s) or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of the relevant Exchange(s) or such Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

**"Scheduled Trading Day"** means (i) if "Multi-Exchange Index" is specified in the Final Terms, any day on which the Index Sponsor is scheduled to publish the level of the Index and each Related Exchange is scheduled to be open for trading for its regular trading session and (ii) if "Multi-Exchange Index" is not so specified in the Final Terms, any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading session.

**"Strike Date"** means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to the provisions of Single Index-Linked Condition 3 below.

**"Strike Price"** means the value (if any) specified as such in the Final Terms.

**"Successor Index"** means where the Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, such successor index or index calculated and announced by the successor sponsor.

**"Trading Disruption"** means any suspension of or limitation imposed on trading by an Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or the relevant Related Exchange or otherwise (i) if "Multi-Exchange Index" is specified in the Final Terms, on any relevant Exchange(s) relating to any security comprised in the Index or, if "applicable Multi-Exchange Index" is not so specified in the Final Terms, on the Exchange relating to securities that comprise 20 per cent or more of the level of the Index, or (ii) in futures or options contracts relating to the Index on a Related Exchange.

**"Valuation Date"** means each date specified as such in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to the provisions of Single Index-Linked Condition 3 below.

**"Valuation Time"** means:

- (a) except where "Multi-Exchange Index" is specified in the applicable Final Terms, the time specified as such in the applicable Final Terms or, if no time is so specified, the Scheduled Closing Time on the relevant Exchange on the relevant Averaging Date, Expiration Date, Observation Date, Strike Date or Valuation Date, as the case may be. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or
- (b) if **"Multi-Exchange Index"** is specified in the applicable Final Terms, the time specified as such in the applicable Final Terms or if no time is so specified:
  - (i) for the purposes of determining whether a Market Disruption Event has occurred;
    - (x) in respect of any Component Security, the Scheduled Closing Time on the relevant Exchange; and
    - (y) in respect of any options contracts or futures contracts on the Index, the close of trading on the relevant Related Exchange; and
  - (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

### 3. **Disrupted Days**

If the Calculation Agent determines that an Averaging Date, the Expiration Date, an Observation Date, the Strike Date or a Valuation Date, as the case may be, is a Disrupted Day, then such Averaging Date, the Expiration Date, such Observation Date, the Strike Date or such Valuation Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the occurrence of a Disrupted Day, would have been such Averaging Date, the Expiration Date, such Observation Date, the Strike Date or such Valuation Date, as the case may be, is a Disrupted Day. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be such Averaging Date, the Expiration Date, such Observation Date, the Strike Date or such Valuation Date, as the case may be, in respect of the Index, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the Index Level on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange-traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred in respect of a relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

Notwithstanding the provisions of any other Principal Condition, if the Calculation Agent determines that a Disrupted Day has occurred on an Averaging Date, the Expiration Date, an Observation Date, the Strike Date or a Valuation Date, payment of any Final Redemption Amount and/or any amount of interest (if the payment of interest is index-linked), as the case may be, shall be postponed to the later of (i) the Maturity Date and/or the relevant Interest Payment Date and (ii) the date that is three Business Days (or such other period specified in the Final Terms) following the postponed Averaging Date, Expiration Date, Observation Date, Strike Date or Valuation Date,

as the case may be. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Final Redemption Amount and/or any amount of interest in accordance with this clause.

The Calculation Agent shall give notice of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Notes to the Agent who shall give notice as soon as practicable to the Issuer and to the holders of the Notes, in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

#### **4. Adjustments, Consequences of Certain Events and Currency**

(i) *Index Modification, Index Cancellation and/or Index Disruption*

If the Calculation Agent determines that an Index Modification, Index Cancellation or Index Disruption has occurred or any other event or events occur which the Calculation Agent determines necessitate(s) an adjustment or adjustments to the Final Redemption Amount, the Early Redemption Amount and/or any other relevant term of the Notes, the Calculation Agent may make any adjustment or adjustments to the Final Redemption Amount, the Early Redemption Amount and/or any other relevant term of the Notes as it deems necessary. The Calculation Agent shall give notice of any such adjustment to the Agent who shall give notice as soon as practicable to the Issuer and to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

(iii) *Price Correction*

In the event that any price or level published on the relevant Exchange(s) or by the Index Sponsor and which is utilised for any calculation or determination made under the Notes is subsequently corrected and the correction is published by the relevant Exchange(s) or Index Sponsor(s) within three Business Days (or such other period specified in the Final Terms) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Issuer will adjust the Terms and Conditions of the Notes to account for such correction.

(iv) *Currency*

If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, the Early Redemption Amount, the Strike Price and/or any other relevant term of the Notes (including the date on which any amount is payable by the Issuer), the Calculation Agent may make such adjustment or adjustments to the Final Redemption Amount, the Early Redemption Amount, the Strike Price and/or any other relevant term of the Notes as it deems necessary. The Calculation Agent shall give notice of any such adjustment to the Agent who shall give notice as soon as practicable to the Issuer and to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

(v) *Additional Disruption Event*

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may redeem each Note at its Early Redemption Amount on such date as the Issuer may notify to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*), as the case may be (unless provided for otherwise in the Final Terms). The Calculation Agent shall give notice of any redemption of the Notes or determination pursuant to this Single Index-Linked Conditions 4 to the Agent who shall give notice as soon as practicable to the Issuer and to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

#### **5. Index Disclaimer**

The Notes are not sponsored, endorsed, sold or promoted by the Index or the Index Sponsor and the Index Sponsor has made no representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. The Index Sponsor shall not be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. The Index Sponsor has made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. Neither the Issuer nor the Calculation Agent shall have any liability to any person for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Neither the Issuer nor the Calculation Agent has any

affiliation with or control over the Index or the Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Issuer and the Calculation Agent will obtain information concerning the Index from publicly available sources they believe to be reliable, they will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.

## 6. Hedging Disruption Events

- (i) A "**Hedging Disruption Event**" shall occur if the Calculation Agent reasonably determines in good faith that:
  - (a) the Issuer or any affiliate (a "**Hedging Party**") is unable (including without limitation by reason of illegality), or that it is impracticable for a Hedging Party, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) (each a "**Relevant Hedging Transaction**") it deems necessary or appropriate to hedge its exposure to price variations of the Index inherent in its obligations, in the case of the Issuer, under the Notes or, in the case of an affiliate, under any transaction pursuant to which it hedges the Issuer's exposure to the Index under the Notes, or (ii) realise, recover or remit to any person the proceeds of such transaction or asset; and/or
  - (b) the Issuer would incur an increased cost in respect of the Relevant Hedging Transactions related to the performance of its obligation under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position); and/or
  - (c) any Hedging Party would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Relevant Hedging Transaction, or (B) realise, recover or remit the proceeds of any such Relevant Hedging Transaction; unless any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Party.
- (ii) A Hedging Disruption Event may include, but is not limited to, the following:
  - (a) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority); or
  - (b) the general unavailability of market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.
- (iii) In the event of a Hedging Disruption Event:
  - (a) the Issuer may elect to redeem each Note at its Early Redemption Amount on such date as the Issuer may notify to Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be; and
  - (b) subject as provided in the applicable Final Terms, the Calculation Agent may make such adjustment or adjustments to the Final Redemption Amount, the Early Redemption Amount and/or any other term of the Notes as it considers appropriate in order to maintain the theoretical value of the Notes after adjusting for the relevant Hedging Disruption Event.
- (iv) The Calculation Agent shall as soon as reasonably practicable give instructions to the Issuer to notify the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*), as the case may be, if it determines that a Hedging Disruption Event has occurred and such notice shall specify the consequence of such Hedging Disruption Event as determined pursuant to this Single Index-Linked Condition 6.

## SCHEDULE 2: BASKET OF INDICES

The terms and conditions applicable to Notes linked to a basket of indices shall comprise the Terms and Conditions of the Medium Term Notes set out above (the "**Principal Conditions**") and the additional terms and conditions set out below (the "**Index Basket-Linked Conditions**") in each case subject to the applicable Final Terms. In the event of any inconsistency between (i) the Principal Conditions and the Index Basket-Linked Conditions, the Index Basket-Linked Conditions shall prevail. In the event of any inconsistency between (i) the Principal Conditions and/or the Index Basket-Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

### 1. Final Redemption

For the purposes of Principal Condition 5(a) and unless previously redeemed or purchased and cancelled in accordance with the Conditions, the Final Redemption Amount payable per Note on the Maturity Date shall be an amount in the Specified Currency determined by the Calculation Agent as set forth in the Final Terms and the following provisions.

### 2. Definitions

**"Additional Disruption Event"** means any event(s) specified as such in the applicable Final Terms.

**"Averaging Dates"** means, in respect of an Index and each Valuation Date, each of the dates specified as such in the applicable Final Terms, if any, or if any such date is not a Scheduled Trading Day in respect of the relevant Index, the next following Scheduled Trading Day in respect of that Index, in each case subject to the provisions of Index Basket-Linked Condition 3 below.

**"Barrier Level"** means the level of the Basket specified as such or otherwise determined as provided in the applicable Final Terms, subject to adjustment in accordance with Index Basket-Linked Condition 4 below.

**"Basket"** means a basket composed of the Indices specified in the Final Terms.

**"Disrupted Day"** means, in respect of an Index, any Scheduled Trading Day on which (i) if "Multi-Exchange Index" is specified in the Final Terms, the relevant Index Sponsor fails to publish the level of the relevant Index or, if "Multi-Exchange Index" is not so specified in relation to that Index, the relevant Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) a Market Disruption Event has occurred.

**"Early Closure"** means, in respect of an Index, the closure on any Exchange Business Day of any relevant Exchange(s) or Related Exchange(s) prior to its/their Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the relevant Exchange(s) or such Related Exchange(s) system(s) for execution at the Valuation Time on such Exchange Business Day.

**"Exchange(s)"** means, in respect of an Index, the exchange or quotation system specified for such Index in the applicable Final Terms and, if "Multi-Exchange Index" is specified in relation to that Index in the applicable Final Terms, in respect of any securities comprised in such Index, the stock exchanges (from time to time) on which in the determination of the Calculation Agent such securities are listed for the purposes of such Index or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in the securities comprised in the relevant Index has temporarily been relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities underlying such Index on such successor or substitute exchange or quotation system as on the original Exchange).

**"Exchange Business Day"** means, in respect of an Index, any Scheduled Trading Day on which the relevant Exchange(s) and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange(s) or Related Exchange(s) closing prior to its/their Scheduled Closing Time.

**"Exchange Disruption"** means, in respect of an Index, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, (x) if "Multi-Exchange Index" is specified in relation to that Index in the applicable Final Terms any security comprised in such Index on any relevant Exchange and (y) if "Multi-Exchange Index" is not so specified in relation to that Index in the Final Terms, securities that comprise 20 per cent. or more of the level of such Index on the relevant Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to such Index on any relevant Related Exchange.

**"Expiration Date"** means the date (if any) specified as such in the Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to the provisions of Index Basket-Linked Condition 3 below.

**"Final Index Level"** means:

- (i) (a) in respect of any Index and any Valuation Date or Observation Date, the Index Level on such Valuation Date or Observation Date or (b) in respect of any Index and the Averaging Dates relating to an Observation Period or a Valuation Date, the arithmetic average as determined by the Calculation Agent (rounded to the nearest unit of the Specified Currency in which such Index is valued (with halves being rounded up)) of the Index Levels of such Index on each of such Averaging Dates; or
- (ii) (a) in respect of the Basket and any Valuation Date or Observation Date, a value for the Basket determined by the Calculation Agent equal to the sum of the values of each Index as the product in respect of each Index of (i) the Index Level of such Index on such Valuation Date or Observation Date and (ii) the relevant Weight, or (b) in respect of the Basket and the Averaging Dates relating to an Observation Period or Valuation Date, the arithmetic average as determined by the Calculation Agent of the values for the Basket calculated on each of such Averaging Date as the sum of the values of each Index as the product in respect of each Index of (i) the Index Level of such Index on each of such Averaging Dates and (ii) the relevant Weight;

all being subject to adjustment in accordance of the Index Basket-Linked Condition 4 below.

**"Index"** means one of the indices specified in the definition of Basket or any Successor Index, **"Indices"** means all such indices together.

**"Index Cancellation"** means, in respect of an Index, the Index Sponsor in respect of such Index permanently cancels the Index and no Successor Index exists.

**"Index Disruption"** means, in respect of an Index, the Index Sponsor in respect of such Index fails to calculate and announce the Index Level.

**"Index Level"** means, in respect of an Index, on any relevant Scheduled Trading Day, the official closing level of the relevant Index, as calculated and published by the relevant Index Sponsor.

**"Index Modification"** means, in respect of an Index, the relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating such Index or in any other way materially modifies such Index (other than a modification prescribed in that formula or method to maintain such Index in the event of changes in constituent securities and capitalization and other routine events).

**"Index Sponsor"** means in relation to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Final Terms.

**"Initial Index Level"** means either (i) in respect of any Index, the level of such Index specified as such or otherwise determined in the applicable Final Terms or, if no such level is so specified or otherwise determined, the level of such Index as determined by the Calculation Agent as of the Valuation Time on the Strike Date; or (ii) in respect of the Basket, the level specified as such or otherwise determined as provided in the applicable Final Terms or, if no such level is specified or otherwise determined as provided in the applicable Final Terms, a value for the Basket determined by the Calculation Agent equal to the sum of the values of each Index as the product in respect of each Index of (i) the Index Level of such Index on the Strike Date and (ii) the relevant Weight, all being subject to adjustment in accordance with Index Basket-Linked Condition 4 below.

**"Market Disruption Event"** means, in respect of an Index, the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines in its sole discretion is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure, provided that, if "Multi-Exchange Index" is specified in relation to that Index in the Final Terms, the securities comprised in the relevant Index in respect of which an Early Closure, an Exchange Disruption and/or a Trading Disruption occurs or exists amount, in the determination of the Calculation Agent, in aggregate to 20 per cent. or more of the level of such Index. For the purpose of determining whether a Market Disruption Event exists at any time in respect of a security included in the relevant Index at any time, then the relevant percentage contribution of that security to the level of such Index shall be based on a comparison of (x) the portion of the level of the relevant Index attributable to that security and (y) the overall level of such Index, in each case immediately before the occurrence of such Market Disruption Event, as determined by the Calculation Agent.

**"Observation Date"** means, in respect of an Index, each date, if any, specified as such in the Final Terms or, if any such date is not a Scheduled Trading Day in respect of such Index, the next following such Scheduled Trading Day, in each case subject to the provisions of Index Basket-Linked Condition 3 below.

**"Observation Period"** has the meaning ascribed to it in the Final Terms.



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

**"Scheduled Closing Time"** means in respect of an Exchange or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or such Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

**"Scheduled Trading Day"** means, in respect of an Index, (i) if "Multi-Exchange Index" is specified in relation to that Index in the Final Terms, any day on which the relevant Index Sponsor is scheduled to publish the level of such Index and each Related Exchange is scheduled to be open for trading for its regular trading session and (ii) if "Multi-Exchange Index" is not so specified in relation to that Index in the Final Terms, any day on which each relevant Exchange and each Related Exchange is scheduled to be open for trading for its regular trading session.

**"Strike Date"** means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to the provisions of Index Basket-Linked Condition 3 below.

**"Strike Price"** means the value (if any) specified as such in the Final Terms.

**"Successor Index"** means, in respect of an Index, where such Index is (i) not calculated and announced by the relevant Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Issuer or (ii) replaced by a successor index using, in the determination of the Issuer, the same or a substantially similar formula for and method of calculation as used in the calculation of the relevant Index, such successor index or index calculated and announced by the successor sponsor.

**"Trading Disruption"** means, in respect of an Index, any suspension of or limitation imposed on trading by a relevant Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or relevant Related Exchange or otherwise (i) if "Multi-Exchange Index" is specified in relation to that Index in the Final Terms, on any relevant Exchange(s) relating to any security comprised in the relevant Index or, if "Multi-Exchange Index" is not so specified in relation to that Index in the Final Terms, on the Exchange relating to securities that comprise 20 per cent or more of the level of the relevant Index, or (ii) in futures or options contracts relating to the Index on any relevant Related Exchange.

**"Valuation Date"** means each date specified as such in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to the provisions of Index Basket-Linked Condition 3 below.

**"Valuation Time"** means:

- (a) except where "Multi-Exchange Index" is specified in the applicable Final Terms in relation to the relevant Index, the time specified as such in the applicable Final Terms or, if no time is so specified, the Scheduled Closing Time on the relevant Exchange on the relevant Averaging Date, Expiration Date, Observation Date, Strike Date or Valuation Date, as the case may be, in relation to each Index to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time; or
- (b) if "Multi-Exchange Index" is specified in the applicable Final Terms in relation to the relevant Index, the time specified as such in the applicable Final Terms or if no time is so specified:
  - (i) for the purposes of determining whether a Market Disruption Event has occurred;
  - (x) in respect of any Component Security, the Scheduled Closing Time on the relevant Exchange; and
  - (y) in respect of any options contracts or futures contracts on the Index, the close of trading on the relevant Related Exchange; and
  - (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

"**Weight**" means, in respect of each Index comprised in the Basket, the percentage in respect of such Index specified as such in the applicable Final Terms.

### 3. **Disrupted Days**

If the Calculation Agent determines that an Averaging Date, the Expiration Date, an Observation Date, the Strike Date or a Valuation Date as the case may be, is a Disrupted Day in respect of an Index, then such Averaging Date, the Expiration Date, such Observation Date, the Strike Date or such Valuation Date, as the case may be, for such Index shall be the first succeeding Scheduled Trading Day in respect of such Index that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the occurrence of a Disrupted Day, would have been such Averaging Date, the Expiration Date, such Observation Date, the Strike Date or such Valuation Date, as the case may be, is a Disrupted Day for such Index. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be such Averaging Date, the Expiration Date, such Observation Date, the Strike Date or such Valuation Date, as the case may be, for such Index, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the Index Level of such Index on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating such Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the relevant Index (or, if the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred in respect of a relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

Notwithstanding the provisions of any other Condition, if the Calculation Agent determines that a Disrupted Day has occurred in respect of an Index on an Averaging Date, the Expiration Date, an Observation Date, the Strike Date or a Valuation Date, payment of the Final Redemption Amount and/or amount of interest (if the payment of interest is index-linked), as the case may be, shall be postponed to the later of (i) the Maturity Date and/or the relevant Interest Payment Date and (ii) the date that is three Business Days (or such other period specified in the Final Terms) following the postponed Averaging Date, Expiration Date, Observation Date, Strike Date or Valuation Date, as the case may be, in respect of the Indices. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Final Redemption Amount and/or any amount of interest in accordance with this clause.

The Calculation Agent shall give notice of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Notes to the Agent who shall give notice as soon as practicable to the Issuer and to the Noteholders, in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

### 4. **Adjustments, Consequences of Certain Events and Currency**

- (i) *Index Modification, Index Cancellation and/or Index Disruption*

If the Calculation Agent determines that, in respect of any Index, an Index Modification, Index Cancellation or Index Disruption has occurred or any other event or events occur which the Calculation Agent determines necessitate(s) an adjustment or adjustments to the Final Redemption Amount, the Early Redemption Amount and/or any other relevant term of the Notes, the Calculation Agent may make any adjustment or adjustments to the Final Redemption Amount, the Early Redemption Amount and/or any other relevant term of the Notes as it deems necessary. The Calculation Agent shall give notice of any such adjustment to the Agent who shall give notice as soon as practicable to the Issuer and to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

- (ii) *Price Correction*

In the event that any price or level published on any relevant Exchange or by any relevant Index Sponsor in respect of an Index and which is utilised for any calculation or determination made under the Notes is subsequently corrected and the correction is published by the relevant Exchange or the relevant Index Sponsor within three Business Days (or such other period as specified in the Final Terms) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Issuer will adjust the Terms and Conditions of the Notes to account for such correction.

- (iii) *Currency*

If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation

Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, the Early Redemption Amount, the Strike Price and/or any other relevant term of the Notes (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the Final Redemption Amount, the Early Redemption Amount, the Strike Price and/or any other relevant term of the Notes as it deems necessary. The Calculation Agent shall give notice of any such adjustment to the Agent who shall give notice as soon as practicable to the Issuer and to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

(iv) *Additional Disruption Events*

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may redeem each Note at its Early Redemption Amount on such date as the Issuer may notify to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*), as the case may be. The Calculation Agent shall give notice of any redemption of the Notes or determination pursuant to this Index Basket-Linked Condition 4 to the Agent who shall give notice as soon as practicable to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

## 5. **Index Disclaimer**

The Notes are not sponsored, endorsed, sold or promoted by any of the Indices or any of the Index Sponsors and none of the Index Sponsors has made any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the relevant Index and/or the levels at which any such Index stands at any particular time on any particular date or otherwise. None of the Index Sponsors shall be liable (whether in negligence or otherwise) to any person for any error in any relevant Index and none of the Index Sponsors are under any obligation to advise any person of any error therein. The Index Sponsors have made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. Neither the Issuer nor the Calculation Agent shall have any liability to any person for any act or failure to act by any Index Sponsor in connection with the calculation, adjustment or maintenance of any Index. Neither the Issuer nor the Calculation Agent has any affiliation with or control over any of the Indices or any of the Index Sponsors or any control over the computation, composition or dissemination of the Indices. Although the Issuer and the Calculation Agent will obtain information concerning the Indices from publicly available sources they believe to be reliable, they will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning any Index.

## 6. **Hedging Disruption Events**

- (i) A "**Hedging Disruption Event**" shall occur if the Calculation Agent reasonably determines in good faith that:
  - (a) the Issuer or any affiliate (a "**Hedging Party**") is unable (including without limitation by reason of illegality), or that it is impracticable for a Hedging Party, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) (each a "**Relevant Hedging Transaction**") it deems necessary or appropriate to hedge its exposure to price variations of the Basket inherent in its obligations, in the case of the Issuer, under the Notes or, in the case of an affiliate, under any transaction pursuant to which it hedges the Issuer's exposure to the Basket under the Notes, or (ii) realise, recover or remit to any person the proceeds of such transaction or asset; and/or
  - (b) the Issuer would incur an increased cost in respect of the Relevant Hedging Transactions related to the performance of its obligation under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position); and/or
  - (c) any Hedging Party would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Relevant Hedging Transaction, or (B) realise, recover or remit the proceeds of any such Relevant Hedging Transaction; unless any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Party.
- (ii) A Hedging Disruption Event may include, but is not limited to, the following:
  - (a) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory

authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority); or

- (b) the general unavailability of market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.

(iii) In the event of a Hedging Disruption Event:

- (a) the Issuer may elect to redeem each Note at its Early Redemption Amount on such date as the Issuer may notify to Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be; and
- (b) subject as provided in the applicable Final Terms, the Calculation Agent may make such adjustment or adjustments to the Final Redemption Amount, the Early Redemption Amount and/or any other terms of the Notes as it considers appropriate in order to maintain the theoretical value of the Notes after adjusting for the relevant Hedging Disruption Event.

(iv) The Calculation Agent shall as soon as reasonably practicable give instructions to the Issuer to notify the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*), as the case may be, if it determines that a Hedging Disruption Event has occurred and such notice shall specify the consequence of such Hedging Disruption Event as determined pursuant to this Index Basket-Linked Condition 6.

### SCHEDULE 3: EQUITY-LINKED NOTES (SINGLE SHARE)

The terms and conditions applicable to Notes linked to a single share shall comprise the Terms and Conditions of the Medium Term Notes set out above (the "**Principal Conditions**") and the additional terms and conditions set out below (the "**Single Share-Linked Conditions**") in each case subject to the applicable Final Terms. In the event of any inconsistency between (i) the Principal Conditions and the Single Share-Linked Conditions, the Single Share-Linked Conditions shall prevail. In the event of any inconsistency between (i) the Principal Conditions and/or the Single Share-Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

#### 1. Final Redemption

Unless previously redeemed or purchased and cancelled in accordance with the Conditions, the Issuer shall on the Maturity Date (i) pay the Final Redemption Amount, which shall be an amount payable per Note in the Specified Currency determined by the Calculation Agent as set forth in the Final Terms and/or (ii) if "Share Delivery" is specified as being applicable, deliver the Share Amount(s) in accordance with the Final Terms and the following provisions.

#### 2. Definitions

"**Additional Disruption Event**" means Insolvency Filing and such other event(s) (if any) specified as such in the applicable Final Terms.

"**Averaging Dates**" means, in respect of each Valuation Date, each of the dates specified as such in the applicable Final Terms, if any, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to the provisions of the Single Share-Linked Condition 3 below.

"**Barrier Level**" means the price of a Share specified as such or otherwise determined as provided in the applicable Final Terms, subject to adjustment in accordance with Single Share-Linked Condition 4 below.

"**De-listing**" means that the Exchange announces that pursuant to its rules the Shares have ceased (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and such Shares are not immediately re-listed, re-traded or requoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union) and such Shares are no longer listed on an Exchange acceptable to the Issuer.

"**Delivery Agent**" means such delivery agent as specified in the applicable Final Terms.

"**Delivery Day**" means, if "Share Delivery" is specified as being applicable in the Final Terms, a day, if any, on which the Shares comprised in the Share Amount(s) may be delivered to the Noteholders in a manner which the Issuer determines to be appropriate.

"**Disrupted Day**" means any Scheduled Trading Day on which (i) the Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) on which a Market Disruption Event has occurred.

"**Disruption Cash Settlement Price**" means, if "Share Delivery" is specified as being applicable in the Final Terms, in respect of each Note, an amount in the Specified Currency equal to the fair economic value of the Share Amount, as determined by the Calculation Agent in its sole discretion.

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

"**Exchange**" means the exchange or quotation system specified in the Final Terms or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Shares has temporarily been relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Shares on such successor or substitute exchange or quotation system as on the original Exchange).

"**Exchange Business Day**" means any Scheduled Trading Day on which the Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the Exchange or any such Related Exchange closing prior to its Scheduled Closing Time.

"**Exchange Disruption**" means, in respect of the Shares, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect

transactions in, or obtain market values for, the Shares on the Exchange or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Shares on any Related Exchange.

**"Expiration Date"** means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to the provisions of Single Share-Linked Condition 3 below.

**"Extraordinary Dividend"** means, in respect of the Shares, the characterisation of a dividend or portion thereof as an Extraordinary Dividend by the Issuer.

**"Final Share Price"** means the price of one Share in the Share Currency quoted on the Exchange at the Valuation Time on the Expiration Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent and subject to adjustment in accordance with Single Share-Linked Condition 4 below.

**"Fractional Amount"** means, if "Share Delivery" is specified as being applicable in the Final Terms, any fractional interest in one Share to which a Noteholder would be entitled pursuant to subject to the provisions in this Schedule 3 (*Equity-Linked Notes (Single Share)*).

**"Fractional Cash Amount"** means, in respect of each Noteholder, the amount (rounded to the nearest smallest transferable unit of the Specified Currency, half such a unit being rounded downwards) calculated by the Calculation Agent in accordance with the following formula and translated into the Specified Currency by the Calculation Agent:

$$\text{Fractional Cash Amount} = (\text{Final Share Price} \times \text{Fractional Amount}).$$

**"Initial Share Price"** means the price of one Share in the Share Currency quoted on the Exchange at the Valuation Time on the Strike Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent and subject to adjustment in accordance with Single Share-Linked Condition 4 below.

**"Insolvency"** means, in respect of the Share Issuer, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the Share Issuer, (A) all the Shares of the Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of the Share Issuer become legally prohibited from transferring them.

**"Insolvency Filing"** means that the Calculation Agent determines that the Share Issuer has instituted or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition.

**"Market Disruption Event"** means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure.

**"Merger Date"** means, in respect of a Merger Event, the closing date of such Merger Event or, where the Calculation Agent determines that a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

**"Merger Event"** means, in respect of the Shares, any (i) reclassification or change of the Shares that results in a transfer of, or an irrevocable commitment to, transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the Share Issuer that results in a transfer of, or an irrevocable commitment to, transfer all such Shares (other than such Shares owned or controlled by the such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its subsidiaries with or into another entity in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (a **"Reverse Merger"**), in each case if the Merger Date is on or before the Expiration Date (or such other date as may be specified in the Final Terms).

**"Nationalisation"** means that all the Shares of the Share Issuer or all or substantially all the assets of the Share Issuer are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**"New Shares"** means ordinary or common shares, whether of the entity or person (other than the Share Issuer) involved in the Merger Event or a third party, that are, or that as of the Merger Date are promptly scheduled to be, (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member of state of the European Union) or on another exchange acceptable to the Issuer and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations.

**"Observation Date"** means each date, if any, specified as such in the Final Terms, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to the provisions of Single Share-Linked Condition 3 below.

**"Observation Period"** has the meaning ascribed to it in the Final Terms.

**"Other Consideration"** means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the Share Issuer) involved in the Merger Event or a third party).

**"Potential Adjustment Event"** means any of the following:

- (i) a subdivision, consolidation or reclassification of the Shares (unless resulting in a Merger Event), or a free distribution or dividend of any Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the Shares of (a) Shares, or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Issuer equally or proportionately with such payments to holders of the Shares, or (c) share capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the Share Issuer as a result of a spin-off or other similar transaction, or (d) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an Extraordinary Dividend;
- (iv) a call by the Share Issuer in respect of Shares that are not fully paid;
- (v) a repurchase by the Share Issuer or any of its subsidiaries of Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) with respect to the Share Issuer, an event that results in any shareholder rights pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value (as determined by the Calculation Agent) being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights);
- (vii) the effective date of a consolidation of an Underlying with another company or merger of an Underlying with another company; or
- (viii) any other event, in the opinion of the Calculation Agent that may have a diluting or concentrative effect on the theoretical value of the Shares.

**"Price"** means, in respect of a Share, on any Exchange Business Day, the price of one such Share in the Share Currency quoted on the relevant Exchange (i) if "Constant Monitoring" is specified as being applicable in the Final Terms, at any given time on such Exchange Business Day or (ii) if "Valuation Time Only" is specified as being applicable in the Final Terms, at the Valuation Time on such Exchange Business Day, all as determined by the Calculation Agent.

**"Related Exchange"** means each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Shares, or such other options or futures exchange(s) as the Issuer may select, any transferee or successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Shares has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Shares on such temporary substitute exchange or quotation system as on the original Related Exchange).

**"Scheduled Closing Time"** means, in respect of the Exchange or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of the Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

**"Scheduled Trading Day"** means any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading sessions.

**"Settlement Disruption Event"** means, if "Share Delivery" is specified as being applicable in the Final Terms, an event determined by the Calculation Agent to be beyond the control of the Issuer as a result of which the Issuer cannot transfer (or it would be contrary to applicable laws and regulations for the Issuer to transfer) the Shares comprised in the Share Amount(s) in accordance with the Terms and Conditions of the Notes.

**"Share Amount"** has the meaning ascribed to it in the applicable Final Terms.

**"Share Currency"** has the meaning ascribed to it in the applicable Final Terms.

**"Share Delivery Date"** has the meaning ascribed to it in the applicable Final Terms.

**"Share Issuer"** has the meaning ascribed to it in the applicable Final Terms.

**"Shares"** has the meaning ascribed to it in the applicable Final Terms.

**"Strike Date"** means the date (if any) specified as such in the applicable Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to the provisions of Single Share-Linked Condition 3 below.

**"Strike Price"** means the price (if any) specified as such in the applicable Final Terms.

**"Tender Offer"** means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding voting shares of the Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

**"Tender Offer Date"** means, in respect of a Tender Offer, the date on which voting shares in an amount determined by the Calculation Agent are actually purchased or otherwise obtained (as determined by the Calculation Agent).

**"Trading Disruption"** means any suspension of or limitation imposed on trading by the Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or such Related Exchange or otherwise (i) relating to the Shares on the Exchange or (ii) in futures or options contracts relating to the Shares on a Related Exchange.

**"Valuation Date"** means each date specified as such in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to the provisions of Single Share-Linked Condition 3 below.

**"Valuation Time"** means the Scheduled Closing Time on the Exchange on the relevant date. If the Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to the provisions in this schedule) the Valuation Time shall be such actual closing time.

### 3. **Disrupted Days**

If the Calculation Agent determines that an Averaging Date, the Expiration Date, an Observation Date, the Strike Date or a Valuation Date, as the case may be, in respect of the Shares is a Disrupted Day, then the Strike Date, the Expiration Date, such Averaging Date, such Valuation Date or such Observation Date, as the case may be, shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the occurrence of a Disrupted Day, would have been such Averaging Date, the Expiration Date, such Observation Date, the Strike Date or such Valuation Date, as the case may be, is a Disrupted Day. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be such Averaging Date, the Expiration Date, such Observation Date, the Strike Date or such Valuation Date, as the case may be, in respect of the Shares, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the price of one Share as its good faith estimate of the price of one Share that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Trading Day.

Notwithstanding the provisions of any other Condition, if the Calculation Agent determines that a Disrupted Day has occurred on an Averaging Date, the Expiration Date, an Observation Date, the Strike Date or a Valuation Date, payment of any Redemption Amount and/or any amount of interest (if the payment of interest is share-linked), as the case may be, shall be postponed to the later of (i) the Maturity Date and/or the relevant Interest Payment Date and (ii) the date that is three Business Days (or such other period as specified in the Final Terms) following the postponed Averaging Date, Expiration Date, Observation Date, Strike Date or Valuation Date, as the case may be. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Final Redemption Amount and/or any amount of interest in accordance with this clause.



The Calculation Agent shall give notice of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Notes to the Agent who shall in turn give notice as soon as practicable to the Issuer and to the Noteholders, in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

#### 4. Adjustments

##### ***Adjustments, Consequences of Certain Events and Currency***

###### (i) *Adjustment*

If the Calculation Agent determines that a Potential Adjustment Event has occurred or that there has been an adjustment to the settlement terms of listed contracts on the Shares traded on a Related Exchange, the Calculation Agent will determine whether such Potential Adjustment Event or adjustment has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the Final Redemption Amount, the Early Redemption Amount and/or the Strike Price and/or any of the Terms and Conditions of the Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividend, stock loan rate or liquidity) and (b) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event or adjustment to settlement terms made by an options exchange to options on the Shares traded on that options exchange.

###### (ii) *Consequences of a Merger Event*

If the Calculation Agent determines that a Merger Event has occurred, the Issuer may:

- (a) redeem each Note at its Early Redemption Amount (unless provided for otherwise in the Final Terms), on such date as the Issuer may notify to Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be; and/or
- (b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Merger Event (provided that no adjustments will be made solely to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the Shares traded on such options exchange and determine the effective date of that adjustment; and/ or
- (c) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New Shares and/or the amount of Other Consideration, if applicable (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable), and their issuer (if any) to be the "**Shares**" and the "**Share Issuer**", respectively, and if the Calculation Agent determines to be appropriate, the Calculation Agent will adjust any relevant terms of the Notes as it may determine.

The Calculation Agent shall give notice of such redemption, adjustment or deemed change to the Agent who shall give notice as soon as practicable to the Issuer and to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

###### (iii) *Consequences of a Tender Offer*

If the Calculation Agent determines that a Tender Offer has occurred, then on or after the relevant Tender Offer Date the Issuer may:

- (a) redeem each Note at its Early Redemption Amount (unless provided for otherwise in the Final Terms), on such date as the Issuer may notify to Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be; and/or
- (b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Tender Offer (provided that no adjustments will be made solely to account for changes in volatility or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the Shares traded on such options exchange and determine the effective date of that adjustment.

The Calculation Agent shall give notice of such redemption or adjustment to the Agent who shall give notice as soon as practicable to the Issuer and to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

(iv) *Nationalisation, Insolvency or De-listing*

If in respect of the Shares or the Share Issuer the Calculation Agent determines that there has been a Nationalisation, an Insolvency or a De-listing, the Issuer may (i) request the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Strike Price and/or any of the other Terms and Conditions of the Notes to account for the Nationalisation, Insolvency or Delisting, as the case may be, and determine the effective date of that adjustment or (ii) redeem each Note at its Early Redemption Amount as at the date of redemption taking into account the Nationalisation, Insolvency or De-listing (unless provided for otherwise in the Final Terms). The Calculation Agent shall give notice of any redemption of the Notes or determination pursuant to this Single Share-Linked Condition 4 to the Agent who shall give notice as soon as practicable to the Issuer and to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

(v) *Price Correction*

In the event that any price or level published on the Exchange and which is utilised for any calculation or determination made under the Notes is subsequently corrected and the correction is published by the Exchange within three Business Days (or such other period specified in the Final Terms) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Calculation Agent will adjust the Terms and Conditions of the Notes to account for such correction.

(vi) *Currency*

If the Calculation Agent determines that any event occurs affecting the Specified Currency or the currency in which any of the Shares are quoted, listed and/or dealt in on the Exchange (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, the Early Redemption Amount, the Strike Price (if applicable) and/or any other relevant term of the Notes (including the date on which any amount is payable by the Issuer), the Calculation Agent may make such adjustment or adjustments to the Final Redemption Amount, the Early Redemption Amount, the Strike Price (if applicable) and/or any other relevant term of the Notes as it deems necessary. The Calculation Agent shall give notice of any such adjustment to the Agent who shall give notice as soon as practicable to the Issuer and to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

(vii) *Additional Disruption Events*

If the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer may redeem each Note at its Early Redemption Amount as at the date of redemption taking into account the Additional Disruption Event (unless provided for otherwise in the Final Terms). The Calculation Agent shall give notice of any redemption of the Notes or determination pursuant to this Single Share-Linked Condition 4 to the Agent who shall give notice as soon as practicable to the Issuer and to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

(viii) *Change in currency*

If, at any time after the Issue Date, there is any change in the currency in which the Shares are quoted, listed and/or dealt on the Exchange, then the Calculation Agent will adjust such of the Terms and Conditions of the Notes as the Calculation Agent determines appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Notes.

## 5. **Delivery of Share Amount**

For the purposes of the Notes, if "Share Delivery" is specified as being applicable in the Final Terms, the following shall apply:

(i) *Delivery of Share Amount*

If the Notes are to be redeemed by the delivery of the Share Amounts, the Issuer, through the Delivery Agent, shall, on the Share Delivery Date, deliver or procure the delivery of the Share Amount in respect of each Note to such account in such clearing system as may be specified by the relevant Noteholder, at the risk and expense of the relevant Noteholder. If a Noteholder does not provide the Issuer through the Delivery Agent with sufficient instructions in a timely manner to enable the Issuer through the Delivery Agent to effect any required delivery of Shares, the due date for such delivery shall be postponed accordingly. The Issuer through the Delivery Agent shall determine whether any instructions received by it are sufficient and whether they have been received in time to enable delivery on any given date. As used herein, "**delivery**" in relation to any Share Amount means the carrying out of the steps required of the Issuer through the Delivery Agent (or such person as it may procure to make the relevant delivery) in order to effect the transfer of the relevant Share Amount and "**deliver**" shall be construed accordingly. The Issuer and the Delivery Agent shall not be responsible for any delay or failure in the transfer of such Share Amount once such steps have been carried out, whether resulting from settlement periods of clearing systems, acts or omissions of registrars or otherwise and shall have no responsibility for the lawfulness of the acquisition of the Shares comprising the Share Amount or any interest therein by any Noteholder or any other person.

In respect of each Share comprising the Share Amount, the Issuer and the Delivery Agent shall not be under any obligation to register or procure the registration of the Noteholder or any other person as the registered shareholder in any register of members of the Share Issuer. Noteholders should note that the actual date on which they become holders of the Shares comprising their Share Amount will depend, among other factors, on the procedures of the relevant clearing systems and any share registrar and the effect of any Settlement Disruption Events.

The Issuer and the Delivery Agent shall not at any time be obliged to account to a Noteholder for any amount or entitlement that it receives by way of a dividend or other distribution in respect of any of the Shares. Dividends and distributions in respect of the Shares which constitute a Potential Adjustment Event may however result in an adjustment being made pursuant to this schedule.

Neither the Issuer nor the Delivery Agent or any other person shall (a) be under any obligation to deliver (or procure any other person to deliver) to the Noteholders or any other person any letter, certificate, notice, circular or any other document received by that person in its capacity as the holder of the Shares, (b) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to the Shares or (c) be under any liability to the Noteholders or any subsequent beneficial owners of the Shares in respect of any loss or damage which any Noteholder or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being registered at any time as the legal owner of the Shares.

(ii) *Consequences of a Settlement Disruption Event*

If the Calculation Agent determines that delivery of any Share Amount in respect of any Note by the Issuer in accordance with the Terms and Conditions of the Notes is not practicable or permitted by reason of a Settlement Disruption Event subsisting, then the Share Delivery Date in respect of such Share Amount shall be postponed to the first following Delivery Day in respect of which no such Settlement Disruption Event is subsisting and notice thereof shall be given in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be, provided that the Issuer through the Delivery Agent may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by delivering or procuring the delivery of such Share Amount using such other commercially reasonable manner as it may select and in such event the Share Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of such Share Amount in such other commercially reasonable manner. No Noteholder shall be entitled to any payment whether of interest or otherwise on such Note in the event of any delay in the delivery of the Share Amount pursuant to this Single Share-Linked Condition 5 and no liability in respect thereof shall attach to the Issuer.

Where a Settlement Disruption Event affects some but not all of the Shares comprising the Share Amount, the Share Delivery Date for the Shares comprising such Share Amount which are not affected by the Settlement Disruption Event will be the originally designated Share Delivery Date.

For so long as delivery of the Share Amount in respect of any Note is not practicable or permitted by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of each Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price on the third Business Day following the date that notice of such election is given to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

The Calculation Agent shall give notice if a Settlement Disruption Event has occurred to the Agent who shall give notice as soon as practicable to the Issuer and the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

(iii) *Aggregate Share Amount*

The aggregate Share Amount to which a Noteholder may be entitled will be determined on the basis of the separate (for the avoidance of doubt, not aggregate) number of Notes held by the relevant Noteholder. The Issuer shall not be obliged to deliver fractions of a Share but shall be obliged to account for the Fractional Cash Amount of any such fractions to the relevant Noteholder on the Share Delivery Date and each such Share Amount to be delivered shall be rounded down to the next integral number of Shares.

(iv) *Entitlement to Dividends and Rights under the Shares*

The Issuer is entitled to any rights under the Shares existing before or on the Maturity Date, if the day on which the Shares are first traded on the Exchange "ex" such right is prior to or on the Maturity Date of the Notes. If the delivery of the Shares, for whatever reason, is effected after the Maturity Date of the Notes, the Noteholders are, with respect to such rights, to be treated as if they had already become owners of the Shares on the Maturity Date of the Notes.

(v) *Notes redeemed by the Shares – Obligations of Issuer and Agent*

If the Notes are to be redeemed by the Shares, the Issuer or the Agent is under no obligation to pass on to the Noteholders any notices, circulars or other documents received by the Issuer prior to delivery of the Shares, even if such notices, circulars or other documents relate to events occurring after delivery of the Shares. If the delivery of the Shares, for whatever reason, is only effected after the Maturity Date of the Notes, the Issuer is not obliged to exercise any rights under the Shares during the intervening period.

(vi) *Delivery of the Shares*

The delivery, if any, of the Shares will be made to the relevant account of the Noteholder's bank or in such other commercial reasonable manner as the Issuer through the Delivery Agent shall, in its sole discretion, determine to be appropriate for such delivery. All expenses including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax and/or other taxes or duties arising from the delivery of the Shares shall be for the account of the relevant Noteholder. In case of delivery, the Shares will be deliverable at the risk of the relevant Noteholder on the Maturity Date.

## 6. **Prescription**

For the purposes of the Notes, if "Share Delivery" is specified as being applicable in the Final Terms, then, on the date that is 6 months after the Maturity Date, the Agent on behalf of the Issuer shall be entitled (i) to sell the Shares with respect to Notes not presented for reimbursement and (ii) to determine the cash amount at which the Notes will be redeemed as from such date.

## 7. **Hedging Disruption Events**

7.1 A "**Hedging Disruption Event**" shall occur if the Calculation Agent reasonably determines in good faith that:

- (a) the Issuer or any affiliate (a "**Hedging Party**") is unable (including without limitation by reason of illegality), or that it is impracticable for a Hedging Party, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) (each a "**Relevant Hedging Transaction**") it deems necessary or appropriate to hedge its exposure to price variations of the Shares inherent in its obligations, in the case of the Issuer, under the Notes or, in the case of an affiliate, under any transaction pursuant to which it hedges the Issuer's exposure to the Shares under the Notes, or (ii) realise, recover or remit to any person the proceeds of such transaction or asset; and/or
- (b) it has become illegal for any Hedging Party to hold, acquire or dispose of Shares; and/or
- (c) the Issuer would incur an increased cost in respect of the Relevant Hedging Transactions related to the performance of its obligation under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position); and/or

- (d) any Hedging Party would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Relevant Hedging Transaction, or (B) realise, recover or remit the proceeds of any such Relevant Hedging Transaction; unless any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Party.

7.2 Such determinations by the Calculation Agent may include, but are not limited to, the following:

- (a) any increased illiquidity in the market for any Shares (as compared with circumstances existing on the Issue Date); or
- (b) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority); or
- (c) the general unavailability of market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.

7.3 In the event of a Hedging Disruption Event:

- (a) the Issuer may elect to redeem each Note at its Early Redemption Amount on such date as the Issuer may notify to Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be; and
- (b) subject as provided in the applicable Final Terms, the Calculation Agent may make such adjustment or adjustments to the Final Redemption Amount, the Early Redemption Amount and/or any other terms of the Notes as it considers appropriate in order to maintain the theoretical value of the Notes after adjusting for the relevant Hedging Disruption Event.

7.4 The Calculation Agent shall as soon as reasonably practicable give instructions to the Issuer to notify the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*), as the case may be, if it determines that a Hedging Disruption Event has occurred and such notice shall specify the consequence of such Hedging Disruption Event as determined pursuant to this Single Share-Linked Condition 7.

#### SCHEDULE 4: BASKET OF SHARES

The terms and conditions applicable to Notes linked to a basket of shares shall comprise the Terms and Conditions of the Medium Term Notes set out above (the "**Principal Conditions**") and the additional terms and conditions set out below (the "**Share Basket-Linked Conditions**") in each case subject to the applicable Final Terms. In the event of any inconsistency between (i) the Principal Conditions and the Share Basket-Linked Conditions, the Share Basket-Linked Conditions shall prevail. In the event of any inconsistency between (i) the Principal Conditions and/or the Share Basket-Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

##### 1. **Final Redemption**

Unless previously redeemed or purchased and cancelled in accordance with the Principal Conditions, the Issuer shall on the Maturity Date (i) pay the Final Redemption Amount, which shall be an amount payable per Note in the Specified Currency determined by the Calculation Agent as set forth in the Final Terms and/or (ii) if "Share Delivery" is specified as being applicable, deliver the Share Amount(s) in accordance with the Final Terms and the following provisions.

##### 2. **Definitions**

For the purposes of the Terms and Conditions of the Notes, the following terms shall have the meanings set out below:

**"Additional Disruption Event"** means Insolvency Filing and such other event(s) (if any) specified as such in the applicable Final Terms.

**"Averaging Dates"** means, in respect of a Share and each Valuation Date, each of the dates specified as such in the applicable Final Terms, if any, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to the provisions of Share Basket-Linked Condition 3 below.

**"Barrier Level"** means the price of the Basket specified as such or otherwise determined as provided in the applicable Final Terms, subject to adjustment in accordance with Share Basket-Linked Condition 3 below.

**"Basket"** means a basket composed of Shares in the relative proportions and/or numbers of Shares of each Share Issuer specified in the Final Terms.

**"De-listing"** means that an Exchange announces that pursuant to its rules one or more of the Shares in the Basket has ceased (or will cease) to be listed, traded or publicly quoted on the relevant Exchange for any reason (other than a Merger Event or Tender Offer) and such Shares are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union) and such Shares are no longer listed on an Exchange acceptable to the Issuer.

**"Delivery Agent"** means such delivery agent as specified in the applicable Final Terms.

**"Delivery Day"** means, if "Share Delivery" is specified as being applicable in the Final Terms, a day, if any, on which Shares comprised in any Share Amount(s) may be delivered to the Noteholders in a manner which the Calculation Agent determines to be appropriate.

**"Disrupted Day"** means, in respect of a Share, any Scheduled Trading Day on which (i) the relevant Exchange fails to open for trading during its regular trading session, (ii) any Related Exchange fails to open for trading during its regular trading session or (iii) any Market Disruption Event has occurred.

**"Disruption Cash Settlement Price"** means, if "Share Delivery" is specified as being applicable in the Final Terms, in respect of each Note, an amount in the Specified Currency equal to the fair economic value of the relevant Share Amount, as determined by the Calculation Agent in its sole discretion.

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

**"Exchange"** means, in respect of any Share comprised in the Basket, the exchange or quotation system specified for such Share in the Final Terms or otherwise the stock exchange on which such Share is, in the determination of the Calculation Agent, traded or quoted or any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Share has temporarily been relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such successor or substitute exchange or quotation system as on the original Exchange).

**"Exchange Business Day"** means, in respect of any Share comprised in the Basket, any Scheduled Trading Day on which the relevant Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the relevant Exchange or any relevant Related Exchange closing prior to its Scheduled Closing Time.

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

**"Expiration Date"** means the date (if any) specified as such in the Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to the provisions of Share Basket-Linked Condition 3 below.

**"Extraordinary Dividend"** means, in respect of any Share comprised in the Basket, the characterization of a dividend or portion thereof as an Extraordinary Dividend by the Issuer.

**"Final Share Price"** means, in respect of any Share comprised in the Basket, the price of one such Share in the Share Currency quoted on the relevant Exchange at the Valuation Time on the Expiration Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent.

**"Fractional Amount"** means, if "Share Delivery" is specified as being applicable in the Final Terms, any fractional interest in one Share to which a Noteholder would be entitled pursuant to this schedule.

**"Fractional Cash Amount"** means, in respect of each Noteholder, the amount (rounded to the nearest smallest transferable unit of the Specified Currency, half such a unit being rounded downwards) calculated by the Calculation Agent in accordance with the following formula and translated into the Specified Currency by the Calculation Agent:

$$\text{Fractional Cash Amount} = (\text{Final Share Price} \times \text{Fractional Amount}).$$

**"Initial Share Price"** means, in respect of any Share comprised in the Basket, the price of one such Share in the Share Currency quoted on the relevant Exchange at the Valuation Time on the Strike Date (or such other definition, if any, as may be specified in the Final Terms), as determined by the Calculation Agent and subject to adjustment in accordance with Share Basket-Linked Condition 3 below.

**"Insolvency"** means, in respect of a Share Issuer, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting such Share Issuer, (A) all the Shares of such Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of such Share Issuer become legally prohibited from transferring them.

**"Insolvency Filing"** means, in respect of a Share, that the Calculation Agent determines that the relevant Share Issuer has instituted or has had instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or applicable insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition.

**"Market Disruption Event"** means the occurrence or existence on any Scheduled Trading Day of (i) a Trading Disruption or (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time or (iii) an Early Closure.

**"Merger Date"** means, in respect of a Merger Event, the closing date of such Merger Event or, where the Calculation Agent determines that a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent.

**"Merger Event"** means, in respect of one or more of the Shares in the Basket, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding), (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the relevant Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by the such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the relevant Share Issuer or its subsidiaries with or into another entity in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50%

of the outstanding Shares immediately following such event (a "**Reverse Merger**"), in each case if the Merger Date is on or before the Expiration Date (or such other date as may be specified in the Final Terms).

**"Nationalisation"** means that all the Shares of a Share Issuer or all or substantially all the assets of such Share Issuer are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

**"New Shares"** means ordinary or common shares, whether of the entity or person (other than the relevant Share Issuer) involved in the Merger Event or a third party, that are, or that as of the Merger Date are promptly scheduled to be, (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member of state of the European Union) or on another exchange acceptable to the Issuer and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations.

**"Observation Date"** means each date, if any, specified as such in the applicable Final Terms, or if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to the provisions of Share Basket-Linked Condition 3 below.

**"Observation Period"** means each period specified as such in the Final Terms.

**"Other Consideration"** means cash and/or any securities (other than New Shares) or assets (whether of the entity or person (other than the relevant Share Issuer) involved in the Merger Event or a third party).

**"Potential Adjustment Event"** means any of the following:

- (i) a subdivision, consolidation or reclassification of one or more of the Shares in the Basket (unless resulting in a Merger Event), or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalization or similar issue;
- (ii) a distribution, issue or dividend to existing holders of one or more of the Shares in the Basket of (A) such Shares, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the relevant Share Issuer equally or proportionately with such payments to holders of such Shares, or (C) share capital or other securities of another issuing institution acquired or owned (directly or indirectly) by the relevant Share Issuer as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an Extraordinary Dividend;
- (iv) a call by a Share Issuer in respect of relevant Shares that are not fully paid;
- (v) a repurchase by a Share Issuer or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) with respect to a Share Issuer, an event that results in any shareholder rights pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value (as determined by the Calculation Agent) being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Share Issuer (provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights);
- (vii) the effective date of a consolidation of an Underlying with another company or merger of an Underlying with another company; or
- (viii) any other event, in the opinion of the Calculation Agent that may have a diluting or concentrative effect on the theoretical value of one or more of the Shares in the Basket.

**"Price"** means, in respect of any Share, on any Exchange Business Day, the price of one such Share in the Share Currency quoted on the relevant Exchange (i) if "*Constant Monitoring*" is specified as being applicable in the Final Terms, at any given time on such Exchange Business Day or (ii) if "*Valuation Time Only*" is specified as being applicable in the Final Terms, at the Valuation Time on such Exchange Business Day, all as determined by the Calculation Agent.

**"Related Exchange"** means, in respect of any Share, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share or such other options or futures exchange(s) as the Issuer may select, any transferee exchange or quotation system or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity



relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange).

**"Scheduled Closing Time"** means, in respect of an Exchange or a Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

**"Scheduled Trading Day"** means, in respect of any Share comprised in the Basket, any day on which the relevant Exchange and each relevant Related Exchange is scheduled to be open for trading for its regular trading sessions.

**"Settlement Disruption Event"** means, if *"Share Delivery"* is specified as being applicable in the applicable Final Terms, in respect of any Share, an event determined by the Calculation Agent to be beyond the control of the Issuer as a result of which the Issuer cannot transfer (or it would be contrary to applicable laws and regulations for the Issuer to transfer) the Shares comprised in the Share Amount(s) in accordance with the Terms and Conditions of the Notes.

**"Share Amount"** has the meaning ascribed to it in the applicable Final Terms.

**"Share Currency"** has the meaning ascribed to it in the applicable Final Terms.

**"Share Delivery Date"** has the meaning ascribed to it in the applicable Final Terms and subject to adjustment in accordance with Share Basket-Linked Condition 5(ii) below.

**"Share Issuer"** has the meaning ascribed to it in the applicable Final Terms.

**"Shares"** has the meaning ascribed to it in the applicable Final Terms.

**"Strike Date"** means the date (if any) specified as such in the applicable Final Terms, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to the provisions of Share Basket-Linked Condition 3 below.

**"Strike Price"** means the price (if any) specified as such in the applicable Final Terms.

**"Tender Offer"** means, in respect of any Shares, a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding voting shares of the relevant Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self regulatory agencies or such other information as the Calculation Agent deems relevant.

**"Tender Offer Date"** means, in respect of a Tender Offer, the date on which voting shares in an amount determined by the Calculation Agent are actually purchased or otherwise obtained (as determined by the Calculation Agent).

**"Trading Disruption"** means, in respect of a Share, any suspension of or limitation imposed on trading by an Exchange or a Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or such Related Exchange or otherwise (i) relating to such Share on such Exchange or (ii) in futures or options contracts relating to such Share on a Related Exchange.

**"Valuation Date"** means each date specified as such in the applicable Final Terms or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to the provisions of Share Basket-Linked Condition 3 below.

**"Valuation Time"** means the Scheduled Closing Time on the relevant Exchange on the relevant date in relation to that Share. If the relevant Exchange closes prior to its Scheduled Closing Time, and the specified Valuation Time is after the actual closing time for its regular trading session, then (subject to the provisions of this schedule) the Valuation Time shall be such actual closing time.

### 3. Disrupted Days

If the Calculation Agent determines that an Averaging Date, the Expiration Date, an Observation Date, the Strike Date or a Valuation Date, as the case may be, is a Disrupted Day in respect of any Share, then such Averaging Date, the Expiration Date, such Observation Date, the Strike Date or such Valuation Date as the case may be, in respect of that Share shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day in respect of that Share, unless each of the eight Scheduled Trading Days immediately following the original date that, but for the occurrence of a Disrupted Day, would have been such Averaging Date, the Expiration Date, such Observation Date, the Strike Date or such Valuation Date, as the case may be, is a Disrupted Day. In that case:

- (a) that eighth Scheduled Trading Day shall be deemed to be the Strike Date, the Expiration Date, such Averaging Date, such Valuation Date or such Observation Date, as the case may be, for such Share notwithstanding the fact that such day is a Disrupted Day; and

- (b) the Calculation Agent shall determine the price of one such Share as its good faith estimate of the price of one such Share that would have prevailed, but for the occurrence of a Disrupted Day, at the Valuation Time on that eighth Scheduled Trading Day.

Notwithstanding the provisions of any other Condition, if the Calculation Agent determines that a Disrupted Day has occurred on an Averaging Date, the Expiration Date, an Observation Date, this Strike Date or a Valuation Date, payment of the Early Redemption Amount, Final Redemption Amount and/or any amount of interest (if the payment of interest is share-linked), as the case may be, shall be postponed to the later of (i) the Early Redemption Date, Maturity Date and/or the relevant Interest Payment Date and (ii) the date that is three Business Days (or such other period as specified in the Final Terms) following the postponed Averaging Date, Expiration Date, Observation Date, Strike Date or Valuation Date, as the case may be. For the avoidance of doubt, no additional amounts shall be payable in respect of the postponement of any payment of the Early Redemption Amount, Final Redemption Amount and/or any amount of interest in accordance with this schedule.

The Calculation Agent shall give notice of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Notes to the Agent who shall give notice as soon as practicable to the Issuer and to the holders of the Notes, in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

#### 4. Adjustments

##### ***Adjustments, Consequences of Certain Events and Currency***

(i) *Adjustments*

If the Calculation Agent determines that a Potential Adjustment Event has occurred in respect of one or more of the Shares in the Basket or that there has been an adjustment to the settlement terms of listed contracts on one or more of the Shares in the Basket traded on a Related Exchange, the Calculation Agent will determine whether such Potential Adjustment Event or adjustment has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will (a) make the corresponding adjustment(s), if any, to any one or more of the Final Redemption Amount, the Early Redemption Amount and/or the Strike Price and/or any of the Terms and Conditions of the Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividend, stock loan rate or liquidity) and (b) determine the effective date(s) of the adjustment(s). The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event or adjustment to settlement terms made by an options exchange to options on the relevant Shares traded on that options exchange.

(ii) *Consequences of a Merger Event*

If the Calculation Agent determines that a Merger Event has occurred in respect of one or more of the Shares in the Basket, the Issuer may:

- (a) redeem each Note at its Early Redemption Amount (unless provided for otherwise in the Final Terms), on such date as the Issuer may notify to Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be; and/or
- (b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Merger Event (provided that no adjustments will be made solely to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the relevant Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event by an options exchange to options on the relevant Shares traded on such options exchange and determine the effective date of that adjustment; and/or
- (c) save in respect of a Reverse Merger, on or after the relevant Merger Date, deem the New Shares and/or the amount of Other Consideration, if applicable (as subsequently modified in accordance with any relevant terms and including the proceeds of any redemption, if applicable), and their issuer (if any) to be the relevant "**Shares**" and the relevant "**Share Issuer**", respectively, and if the Calculation Agent determines to be appropriate, the Calculation Agent will adjust any relevant terms of the Notes as it may determine.

The Calculation Agent shall give notice of such redemption, adjustment or deemed change to the Agent who shall give notice as soon as practicable to the Issuer and to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

(iii) *Consequences of a Tender Offer*

If the Calculation Agent determines that a Tender Offer has occurred in respect of one or more of the Shares in the Basket, then on or after the relevant Tender Offer Date the Issuer may: (a) redeem each Note at its Early Redemption Amount (unless provided for otherwise in the Final Terms), on such date as the Issuer may notify to Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be; and/or (b) make such adjustment to the exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Tender Offer (provided that no adjustments will be made to account solely for changes in volatility or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Tender Offer by an options exchange to options on the relevant Shares traded on such options exchange and determine the effective date of that adjustment. The Calculation Agent shall give notice of such redemption or adjustment to the Agent who shall give notice as soon as practicable to the Issuer and to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

(iv) *Nationalisation, Insolvency or De-listing*

If in respect of one or more of the Shares in the Basket or a Share Issuer the Calculation Agent determines that there has been a Nationalisation, an Insolvency or a De-listing, the Issuer may (i) request the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the Final Redemption Amount and/or the Strike Price and/or any of the other Terms and Conditions of the Notes to account for the Nationalisation, Insolvency or De-listing, as the case may be, and determine the effective date of that adjustment or (ii) redeem each Note at its Early Redemption Amount as at the date of redemption taking into account the Nationalisation, Insolvency or De-listing (unless provided for otherwise in the Final Terms). The Calculation Agent shall give notice of any redemption of the Notes or determination pursuant to this Share Basket-Linked Condition 4 to the Agent who shall give notice as soon as practicable to the Issuer and to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

(v) *Price Correction*

In the event that any price or level published on an Exchange and which is utilised for any calculation or determination made under the Notes is subsequently corrected and the correction is published by the relevant Exchange within three Business Days (or such other period as may be specified in the Final Terms) after the original publication, the Calculation Agent will determine the amount (if any) that is payable following that correction, and, to the extent necessary, the Calculation Agent will adjust the Terms and Conditions of the Notes to account for such correction.

(vi) *Currency*

If the Calculation Agent determines that any event occurs affecting the Specified Currency or the currency in which any of the Shares are quoted, listed and/or dealt in on the Exchange (whether relating to the convertibility of any such currency into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, the Early Redemption Amount, the Strike Price (if applicable) and/or any other relevant term of the Notes (including the date on which any amount is payable by the relevant Issuer), the Calculation Agent may make such adjustment or adjustments to the Final Redemption Amount, the Early Redemption Amount, the Strike Price (if applicable) and/or any other relevant term of the Notes as it deems necessary. The Calculation Agent shall give notice of any such adjustment to the Agent who shall give notice as soon as practicable to the Issuer and to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

(vii) *Additional Disruption Events*

If the Calculation Agent determines that an Additional Disruption Event has occurred in respect of one or more of the Shares in the Basket, the Issuer may redeem each Note at its Early Redemption Amount as at the date of redemption taking into account the Additional Disruption Event (unless provided for otherwise in the Final Terms). The Calculation Agent shall give notice of any redemption of the Notes or determination pursuant to this Share Basket-Linked Condition 4 to the Agent who shall give notice as soon as practicable to the Issuer and to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

(viii) *Change in currencies*

If, at any time after the Issue Date, there is any change in the currency in which the Shares are quoted, listed and/or dealt on the Exchange, then the Calculation Agent will adjust such of the Terms and

Conditions of the Notes as the Calculation Agent determines appropriate to preserve the economic terms of the Notes. The Calculation Agent will make any conversion necessary for purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this section will affect the currency denomination of any payment obligation arising out of the Notes.

## 5. Delivery of Share Amount

### (i) *Delivery of Share Amount*

If the Notes are to be redeemed by the delivery of the Share Amounts, the Issuer, through the Delivery Agent, shall, on the Share Delivery Date, deliver or procure the delivery of the Share Amount in respect of each Note to such account in such clearing system as may be specified by the relevant Noteholder, at the risk and expense of the relevant Noteholder. If a Noteholder does not provide the Issuer through the Delivery Agent with sufficient instructions in a timely manner to enable the Issuer to effect any required delivery of Shares, the due date for such delivery shall be postponed accordingly. the Issuer through the Delivery Agent shall determine whether any instructions received by it are sufficient and whether they have been received in time to enable delivery on any given date. As used herein, "**delivery**" in relation to any Share Amount means the carrying out of the steps required of the Issuer through the Delivery Agent (or such person as it may procure to make the relevant delivery) in order to effect the transfer of the relevant Share Amount and "**deliver**" shall be construed accordingly. the Issuer and the Delivery Agent shall not be responsible for any delay or failure in the transfer of such Share Amount once such steps have been carried out, whether resulting from settlement periods of clearing systems, acts or omissions of registrars or otherwise and shall have no responsibility for the lawfulness of the acquisition of the Shares comprising the Share Amount or any interest therein by any Noteholder or any other person.

In respect of each Share comprising the Share Amount, the Issuer and the Delivery Agent shall not be under any obligation to register or procure the registration of the Noteholder or any other person as the registered shareholder in any register of members of the relevant Share Issuer.

Noteholders should note that the actual date on which they become holders of the Shares comprising their Share Amount will depend, among other factors, on the procedures of the relevant clearing systems and any share registrar and the effect of any Settlement Disruption Events.

the Issuer and the Delivery Agent shall not at any time be obliged to account to a Noteholder for any amount or entitlement that it receives by way of a dividend or other distribution in respect of any of the Shares. Dividends and distributions in respect of the Shares which constitute a Potential Adjustment Event may however result in an adjustment being made pursuant to this schedule.

Neither the Issuer nor the Delivery Agent or any other person shall (a) be under any obligation to deliver (or procure any other person to deliver) to the Noteholders or any other person any letter, certificate, notice, circular or any other document received by that person in its capacity as the holder of the Shares, (b) be under any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to the Shares or (c) be under any liability to the Noteholders or any subsequent beneficial owners of the Shares in respect of any loss or damage which any Noteholder or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being registered at any time as the legal owner of the Shares.

### (ii) *Consequences of a Settlement Disruption Event*

If the Calculation Agent determines that delivery of any Share Amount (or part thereof) in respect of any Note by the Issuer in accordance with the Terms and Conditions of the Notes is not practicable or permitted by reason of a Settlement Disruption Event subsisting, then the Share Delivery Date in respect of such Share Amount (or part thereof) shall be postponed to the first following Delivery Day in respect of which no such Settlement Disruption Event is subsisting and notice thereof shall be given in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be, provided that the Issuer through the Delivery Agent may elect in its sole discretion to satisfy its obligations in respect of the relevant Note by delivering or procuring the delivery of such Share Amount (or part thereof) using such other commercially reasonable manner as it may select and in such event the Share Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of such Share Amount (or part thereof) in such other commercially reasonable manner. No Noteholder shall be entitled to any payment whether of interest or otherwise on such Note in the event of any delay in the delivery of the Share Amount pursuant to this Share Basket-Linked Condition 5 and no liability in respect thereof shall attach to the relevant Issuer.

Where a Settlement Disruption Event affects some but not all of the Shares comprising the Share Amount, the Share Delivery Date for the Shares comprising such Share Amount which are not affected by the Settlement Disruption Event will be the originally designated Share Delivery Date.

For so long as delivery of the Share Amount (or part thereof) in respect of any Note is not practicable or permitted by reason of a Settlement Disruption Event, then in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole discretion to satisfy its obligations in respect of each Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price on the third Business Day following the date that notice of such election is given to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be. Payment of the Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

The Calculation Agent shall give notice if a Settlement Disruption Event has occurred to the Agent who shall give notice as soon as practicable to the Issuer and to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

(iii) *Aggregate Share Amount*

The aggregate Share Amount to which a Noteholder may be entitled will be determined on the basis of the separate (for the avoidance of doubt, not aggregate) number of Notes held by the relevant Noteholder. The Issuer shall not be obliged to deliver fractions of a Share but shall be obliged to account for the Fractional Cash Amount of any such fractions to the relevant Noteholder on the Share Delivery Date and each such Share Amount to be delivered shall be rounded down to the next integral number of Shares.

(iv) *Entitlement to Dividends and Rights under the Shares*

The Issuer is entitled to any rights under the Shares existing before or on the Maturity Date, if the day on which the Shares are first traded on the Exchange "ex" such right is prior to or on the Maturity Date of the Notes. If the delivery of the Shares, for whatever reason, is effected after the Maturity Date of the Notes, the Noteholders are, with respect to such rights, to be treated as if they had already become owners of the Shares on the Maturity Date of the Notes.

(v) *Notes redeemed by the Shares – Obligations of Issuer and Agent*

If the Notes are to be redeemed by the Shares, the Issuer or the Agent is under no obligation to pass on to the Noteholders any notices, circulars or other documents received by the Issuer prior to delivery of the Shares, even if such notices, circulars or other documents relate to events occurring after delivery of the Shares. If the delivery of the Shares, for whatever reason, is only effected after the Maturity Date of the Notes, the Issuer is not obliged to exercise any rights under the Shares during the intervening period.

(vi) *Delivery of the Shares*

The delivery, if any, of the Shares will be made to the relevant account of the Noteholder's bank or in such other commercial reasonable manner as the Issuer through the Delivery Agent shall, in its sole discretion, determine to be appropriate for such delivery. All expenses including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax and/or other taxes or duties arising from the delivery of the Shares shall be for the account of the relevant Noteholder. In case of delivery, the Shares will be deliverable at the risk of the relevant Noteholder on the Maturity Date.

## 6. **Prescription**

For the purposes of the Notes, if "*Share Delivery*" is specified as being applicable in the Final Terms, then, on the date that is 6 months after the Maturity Date, the Agent on behalf of the Issuer shall be entitled (i) to sell the Shares with respect to Notes not presented for reimbursement and (ii) to determine the cash amount at which the Notes will be redeemed as from such date.

## 7. **Hedging Disruption Events**

7.1 A "**Hedging Disruption Event**" shall occur if the Calculation Agent reasonably determines in good faith that:

- (a) the Issuer or any affiliate (a "**Hedging Party**") is unable (including without limitation by reason of illegality), or that it is impracticable for a Hedging Party, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) (each a "**Relevant Hedging Transaction**") it deems necessary or appropriate to hedge its exposure to price variations of the Basket inherent in its obligations, in the case of the Issuer, under the Notes or, in the case of an affiliate, under any transaction pursuant to which it hedges the Issuer's exposure to the

Basket under the Notes, or (ii) realise, recover or remit to any person the proceeds of such transaction or asset; and/or

- (b) it has become illegal for any Hedging Party to hold, acquire or dispose of Shares relating to the Notes; and/or
- (c) the Issuer would incur an increased cost in respect of the Relevant Hedging Transactions related to the performance of its obligation under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position); and/or
- (d) any Hedging Party would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Relevant Hedging Transaction, or (B) realise, recover or remit the proceeds of any such Relevant Hedging Transaction; unless any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Hedging Party.

7.2 Such determinations by the Calculation Agent may include, but are not limited to, the following:

- (a) any increased illiquidity in the market for any Shares comprising the Basket (as compared with circumstances existing on the Issue Date); or
- (b) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority); or
- (c) the general unavailability of market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms.

7.3 In the event of a Hedging Disruption Event:

- (a) the Issuer may elect redeem each Note at its Early Redemption Amount on such date as the Issuer may notify to Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be; and
- (b) subject as provided in the applicable Final Terms, the Calculation Agent may make such adjustment or adjustments to the Final Redemption Amount, the Early Redemption Amount and/or any other terms of the Notes as it considers appropriate in order to maintain the theoretical value of the Notes after adjusting for the relevant Hedging Disruption Event.

7.4 The Calculation Agent shall as soon as reasonably practicable give instructions to the Issuer to notify the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*), as the case may be, if it determines that a Hedging Disruption Event has occurred and such notice shall specify the consequence of such Hedging Disruption Event as determined pursuant to this Share Basket-Linked Condition 7.

## SCHEDULE 5: FUND-LINKED NOTES (SINGLE FUND)

The terms and conditions applicable to Notes linked to a single fund shall comprise the Conditions of the Medium Term Notes set out above (the "**Principal Conditions**") and the additional terms and conditions set out below (the "**Single Fund-Linked Conditions**") in each case subject to the applicable Final Terms. In the event of any inconsistency between (i) the Principal Conditions and the Single Fund-Linked Conditions, the Single Fund-Linked Conditions shall prevail. In the event of any inconsistency between (i) the Principal Conditions and/or the Single Fund-Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

### 1. Final Redemption

For the purposes of Principal Conditions 5(a) and unless previously redeemed or purchased and cancelled in accordance with the Conditions, the Final Redemption Amount payable per Note in respect of the Maturity Date (subject to postponement of settlement as provided in Single Fund-Linked Condition 3 (*Postponement of settlement at Maturity Date*) below, if applicable) shall be an amount in the Specified Currency determined by the Calculation Agent as set forth in the applicable Final Terms and the following provisions.

### 2. Definitions

**"Additional Fund Service Provider"** means, in respect of any fund, person or entity (if any) specified as such in the applicable final terms.

**"Affiliate"** means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person (for such purposes, **"control"** of any entity or person means ownership of a majority of the voting power of the entity or person).

**"Aggregate NAV Trigger Period"** means the period (if any) specified as such in the applicable Final Terms.

**"Aggregate NAV Trigger Value"** means the value (if any) specified as such in the applicable Final Terms.

**"Averaging Date"** means, in respect of each Valuation Date, each date (if any) specified as such or otherwise determined as provided in the applicable Final Terms or, if such day is not a Currency Business Day, the next following Currency Business Day, subject to the provisions of Single Fund-Linked Condition 4.3.

**"Company"** means, in respect of the Fund Interest and the related Fund, the entity (if any) specified as such in the applicable Final Terms (if any).

**"Currency Business Day"** means any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre for the Specified Currency specified in the applicable Final Terms. If such Specified Currency is euro, any day that is a Target Settlement Day shall be a Currency Business Day.

**"Cut-off Period"** means, in respect of any date, the period specified in the applicable Final Terms, or if no such period is specified, a period of one calendar year; provided that if a **"Final Cut-off Date"** is specified in the applicable Final Terms, then any Cut-off Period that would otherwise end after such Final Cut-off Date shall end on such Final Cut-off Date.

**"Disrupted Day"** means any day on which a Market Disruption Event has occurred or is continuing.

**"Early Redemption Amount"** means, in respect of any Note, an amount determined by the Calculation Agent in the Specified Currency specified in the applicable Final Terms, to be the fair market value of a Note based on the market conditions prevailing at the date of determination reduced to account fully for any reasonable expenses and costs of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any Fund Interests, options, swaps or other instruments of any type whatsoever hedging the Issuer's obligations under the Notes) and, if (a) a Protected Amount is specified in the applicable Final Terms and (b) any Fund Event which has resulted in the redemption of the Note prior to its scheduled maturity is a Type 1 Fund Event, then the Early Redemption Amount shall be no less than the Net Present Value of a payment of the Protected Amount payable on the Maturity Date.

**"Eligible Fund Interest"** means, in respect of the Fund Interest, the interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest (if any) specified as such in the applicable Final Terms.

**"ETF" or "Exchange Traded Fund"** means any Fund specified as an Exchange Traded Fund in the applicable Final Terms or, if not so specified, any Fund which the Calculation Agent determines to be an Exchange Traded Fund.

**"Exchange"** means, in respect of any ETF, the exchange or quotation system specified for such ETF in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Interest Units in respect of such ETF has temporarily relocated.

**"Extraordinary Dividend"** means an amount per relevant Fund Interest Unit or other amount of Fund Interest specified or otherwise determined as provided in the applicable Final Terms provided that if no Extraordinary Dividend is specified in or otherwise determined as provided in the applicable Final Terms, the characterisation of a dividend or portion thereof as an Extraordinary Dividend shall be determined by the Calculation Agent.

**"Final Cut-off Date"** means the date specified as such in the applicable Final Terms.

**"Final Valuation Date"** means, if there is more than one Valuation Date, the last Valuation Date or, if there is only one Valuation Date, the Valuation Date.

**"Final Valuation Time"** means, if there are more than one Valuation Date, the Valuation Time in relation to the last Valuation Date or, if there is only one Valuation Date, the Valuation Time.

**"Fund"** means, in respect of the Fund Interest, unless otherwise specified in the applicable Final Terms, the Issuer of, or other legal arrangement (including, if applicable, any relevant class or series) giving rise to, the Fund Interest.

**"Fund Administrator"** means, in respect of any Fund, any person specified as such in the applicable Final Terms or, if no person is so specified, the fund administrator, manager, trustee or similar person with the primary administrative responsibilities to such Fund according to the Fund Documents.

**"Fund Adviser"** means, in respect of any Fund, any person specified as such in the applicable Final Terms, or if no person is so specified, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) for such Fund.

**"Fund Business Day"** means, in respect of the Fund Interest and the related Fund, any day specified as such in the applicable Final Terms or, if no day is so specified, any day on which the Fund or the primary Fund Administrator acting on behalf of the Fund is open for business.

**"Fund Custodian"** means, in respect of any Fund, any person specified as such in the applicable Final Terms or, if no person is so specified, the fund custodian or similar person with the primary custodial responsibilities in relation to such Fund according to the Fund Documents.

**"Fund Documents"** means, in respect of the Fund Interest, the constitutive and governing documents, subscription agreements and other agreements of the related Fund specifying the terms and conditions relating to the Fund Interest (including, without limitation, the Fund Prospectus) and any additional documents specified in the applicable Final Terms (each an **"Additional Fund Document"**), in each case as amended from time to time.

**"Fund Event"** means any Type 1 Fund Event and/or any Type 2 Fund Event.

**"Fund Event Notice"** has the meaning given to that term in Single Fund-Linked Condition 5 (*Fund Events*) below.

**"Fund Interest"** means an interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest identified as such in the applicable Final Terms, as specified in the applicable Final Terms.

**"Fund Interest Performance"** means, in respect of the Fund Interest and any Valuation Date or Averaging Date, a rate determined by the Calculation Agent in accordance with the formula specified as such in the applicable Final Terms.

**"Fund Interest Unit"** means, in respect of the Fund Interest and the related Fund, a share in such Fund or, if Fund Interests in such Fund are not denominated as shares, a notional unit of account of ownership in such Fund in the amount specified in the applicable Final Terms.

**"Fund Prospectus"** means, in respect of the Fund Interest and the related Fund, the prospectus or other offering document issued by such Fund in connection with the Fund Interest, as amended or supplemented from time to time.



**"Fund Reporting Date"** means, in respect of the Fund Interest and any Fund Valuation Date, the date on which the Reported Fund Interest Unit Value of the Fund Interest as determined as of such Fund Valuation Date is reported or published.

**"Fund Service Provider"** means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, to that Fund, whether or not specified in the Fund Documents, including without limitation any Fund Adviser, Fund Administrator, Fund Custodian and Additional Fund Service Provider.

**"Fund Subscription Date"** means, in respect of the Fund Interest, the date specified as such in the applicable Final Terms or, if no such date is specified, the day as of which a request by a Hypothetical Investor for subscription to the Fund Interest that has been submitted on the related Subscription Notice Date and in a form and substance acceptable to the related Fund would be considered effective by such Fund.

**"Fund Valuation Date"** means, in respect of the Fund Interest, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) determines the value of the Fund Interest or, if the related Fund only reports its aggregate net asset value, the date as of which such Fund determines its aggregate net asset value.

**"Hedge Fund"** means any Fund specified as a hedge fund in the applicable Final Terms or, if not so specified, any Fund which the Calculation Agent determines to be a hedge fund or a fund of hedge funds.

**"Hedging Party"** has the meaning given in the definition of **"Type 1 Fund Event"** below.

**"Hypothetical Investor"** means, unless otherwise specified in the applicable Final Terms, in respect of the Fund Interest, a hypothetical investor in the Fund Interest located in the Hypothetical Investor Jurisdiction and deemed to have (a) the benefits and obligations, as provided under the Fund Documents, of an investor holding, as of the related Fund Subscription Date, an interest in the relevant Fund in an amount equal to the relevant number of relevant Fund Interest Units or amount of the Fund Interest; (b) in the case of any deemed redemption of the Fund Interest, to have submitted to the relevant Fund on the relevant Redemption Notice Date, a duly completed notice requesting redemption of the relevant number of Fund Interest Units; and (c) in the case of any deemed investment in the Fund Interest, to have submitted, on the Subscription Notice Date, a duly completed notice to the relevant Fund, requesting subscription to the relevant number of Fund Interest Units.

**"Hypothetical Investor Jurisdiction"** means the jurisdiction specified as such in the applicable Final Terms or, if no jurisdiction is so specified, the Grand Duchy of Luxembourg.

**"Initial Fund Interest Unit Price"** means, in respect of the Fund Interest, the price per Fund Interest Unit specified in the applicable Final Terms or, if no such price is so specified, the Relevant Fund Interest Unit Price of such Fund Interest Unit as at the Strike Date determined by the Calculation Agent as if the Strike Date was a Valuation Date.

**"Key Personnel"** means, in respect of any Hedge Fund, the person or persons (if any) so specified, together with their positions, in the applicable Final Terms.

**"Market Disruption Event"** means any of the following events as determined by the Calculation Agent:

- (a) in respect of the Fund Interest, the failure of a Scheduled Fund Valuation Date to be a Fund Valuation Date or any continued postponement of such Fund Valuation Date; or
- (b) in respect of the Fund Interest, there is a failure by the Fund to pay the full amount (whether expressed as a percentage or otherwise) of the Redemption Proceeds with respect to the relevant number of Fund Interest Units or amount of the Fund Interest scheduled to have been paid on or by such day according to the Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interests);
- (c) the inability (including by reason of illegality) of, or the impracticability for, a Hedging Party to (i) unwind or dispose of any transaction it has entered into, or any asset it holds, in either case for the purpose of hedging its exposure to price variations of the Fund Interest inherent in its obligations, in the case of the Issuer, under the Notes or, in the case of an affiliate, under any transaction pursuant to which it hedges the Issuer's exposure to the Fund Interest under the Notes, or (ii) realize, recover or remit to any person the proceeds of any such transaction or asset,

provided that if any event would otherwise be both a Market Disruption Event and a Fund Event, such event shall be treated solely as a Fund Event.

**"Maximum Allocation to Single Hedge Fund Percentage"** means, in respect of the Fund Interest and the related Fund, the percentage (if any) specified as such in the applicable Final Terms.

**"Maximum Borrowing Allocation Percentage"** means, in respect of the Fund Interest and the related Fund, the percentage (if any) specified as such in the applicable Final Terms.

**"Maximum Quarterly Plus Liquidity Allocation Percentage"** means, in respect of the Fund Interest and the related Fund, the percentage (if any) specified as such in the applicable Final Terms.

**"Minimum Monthly Liquidity Allocation Percentage"** means, in respect of the Fund Interest and the related Fund, the percentage (if any) specified as such in the applicable Final Terms.

**"Minimum Number of Underlying Hedge Funds"** means, in respect of the Fund Interest and the related Fund, the number (if any) specified as such in the applicable Final Terms.

**"Minimum Volatility Percentage"** means, in respect of the Fund Interest and the related Fund, the percentage (if any) specified as such in the applicable Final Terms.

**"NAV Trigger Percentage"** means the percentage (if any) specified as such in the applicable Final Terms.

**"NAV Trigger Period"** means the period (if any) specified as such in the applicable Final Terms.

**"Net Present Value"** means, in respect of an amount payable on a future date, the discounted value of such amount as calculated by the Calculation Agent in its discretion taking into account the relevant interbank offered rate at the time of such calculation for one month deposits in the relevant currency or such other reference rate as the Calculation Agent determines to be appropriate.

**"Potential Adjustment Event"** means, in respect of the Fund Interest, any of the following events in the determination of the Calculation Agent:

- (a) a subdivision, consolidation or reclassification of the relevant amount of Fund Interest, or a free distribution or dividend of the Fund Interest to existing holders by way of bonus, capitalization or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Fund Interest of (A) an additional amount of the Fund Interest, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Fund equally or proportionately with such payments to holders of the Fund Interest, or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Fund as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an Extraordinary Dividend;
- (d) a repurchase by the Fund of Fund Interests whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Fund Interests initiated by an investor in the Fund Interests; or
- (e) any other event that may have a diluting or concentrative effect on the theoretical value of the Fund Interest.

**"Protected Amount"** means the amount (if any) specified as such in the applicable Final Terms.

**"Redemption Notice Date"** means, in respect of the Fund Interest and any Valuation Date or Averaging Date, the date specified as such in the applicable Final Terms or, if no date is so specified, the last date on which a Hypothetical Investor in the Fund Interest would be permitted, pursuant to the Fund Documents of the related Fund, to submit a redemption notice that would be timely for a redemption as of the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date falls on or immediately prior to such Valuation Date or Averaging Date.

**"Redemption Proceeds"** means, in respect of the relevant number of Fund Interest Units or amount of the Fund Interest, the redemption proceeds that in the determination of the Calculation Agent would be paid by the related Fund to a Hypothetical Investor who, as of the relevant Redemption Valuation Date, redeems such number of Fund Interest Units or amount of Fund Interest (for the avoidance of doubt after deduction of any tax, levy, charge, assessment or fee of any nature that, in the determination of the Calculation Agent, would (or would be very likely to) be withheld or deducted from such amount); provided that (a) any such proceeds that would be paid in property other than cash shall be deemed to have a value of zero and (b) if the Hypothetical Investor would be

entitled to elect payment of such redemption proceeds to be made either in the form of cash or other property, then the Hypothetical Investor shall be deemed to have elected cash payment, except as otherwise specified in the applicable Final Terms.

**"Redemption Valuation Date"** means, in respect of the Fund Interest and any Scheduled Redemption Valuation Date, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) determines the net asset value of the Fund Interest for purposes of calculating the redemption proceeds to be paid to a Hypothetical Investor that has submitted a valid notice for redemption on or before the related Redemption Notice Date.

**"Reference Price"** means the price per Fund Interest Unit determined as provided in the applicable Final Terms as of the Final Valuation Time on the Final Valuation Date or, if no means of determining such price are so provided, the Relevant Fund Interest Unit Price. When calculating the Relevant Fund Interest Unit Price of any Fund Interest Unit for the purposes of determining the Reference Price, the Valuation Time and the Valuation Date will be the Final Valuation Time and the Final Valuation Date, respectively.

**"Relevant Fund Interest Unit Price"** means, in respect of the Fund Interest and any Valuation Date or Averaging Date, the price per related Fund Interest Unit determined by the Calculation Agent as provided in the applicable Final Terms as of the Valuation Time on the Valuation Date or Averaging Date, as the case may be, or, if no means for determining the Relevant Fund Interest Unit Price are so provided, an amount equal to the Redemption Proceeds relating to such Fund Interest Unit that in the determination of the Calculation Agent would be received by a Hypothetical Investor in the Fund Interest in respect of a redemption of Fund Interest Units targeted to be effected as of the Scheduled Redemption Valuation Date relating to such Valuation Date or Averaging Date, as the case may be.

**"Removal Value"** means, in respect of the Fund Interest, the value calculated by the Calculation Agent in the same manner as would be used in determining the Relevant Fund Interest Unit Price of Fund Interest Units in the related Fund, but assuming a valid notice requesting redemption of Fund Interest Units in such Fund has been submitted to such Fund on the Fund Business Day next following delivery of the relevant Fund Event Notice.

**"Reported Fund Interest Unit Value"** means, in respect of the Fund Interest and a Fund Reporting Date relating to the Fund Interest, the value per Fund Interest Unit as of the related Fund Valuation Date or, if the related Fund reports only its aggregate net asset value, the portion of such Fund's aggregate net asset value relating to one Fund Interest Unit, in each case as reported on such Fund Reporting Date by the Fund Service Provider that generally reports such value on behalf of the Fund to its investors or a publishing service.

**"Scheduled Fund Valuation Date"** means, in respect of the Fund Interest, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interests), to determine the value of the Fund Interest or, if the related Fund only reports its aggregate net asset value, the date as of which such Fund determines its aggregate net asset value.

**"Scheduled Redemption Payment Date"** means, in respect of the Fund Interest and any Scheduled Redemption Valuation Date, the date specified as such in the applicable Final Terms or, if not so specified, the date by which the related Fund is scheduled to have paid, according to its Fund Documents, all or a specified portion of the Redemption Proceeds to an investor that has submitted a timely and valid notice requesting redemption of the Fund Interest as of such Scheduled Redemption Valuation Date.

**"Scheduled Redemption Valuation Date"** means, in respect of the Fund Interest, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the net asset value of the Fund Interest for purposes of calculating the redemption proceeds to be paid to an investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date. The Scheduled Redemption Valuation Date relating to any Valuation Date or Averaging Date, as the case may be, shall be the date specified as such in the applicable Final Terms or, if no such date is specified, the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date falls on or immediately prior to such Valuation Date or Averaging Date, as the case may be.

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

**"Settlement Cycle"** means the period specified as such in the applicable Final Terms or, if no period is so specified, two Currency Business Days.

**"Strike Date"** means the date (if any) specified as such in the Final Terms, or if such date is not a Currency Business Day, the next following Currency Business Day, subject to the provisions of Single Fund-Linked Condition 4.2.

**"Strike Price"** means the price (if any) specified as such in the applicable Final Terms.

**"Subscription Notice Date"** means, in respect of the Fund Interest and any Fund Subscription Date, the date specified as such in the applicable Final Terms or, if no date is so specified, the last date on which a notice to subscribe to the Fund Interest may be submitted pursuant to the Fund Documents of the related Fund and be considered effective as of such Fund Subscription Date. If the applicable Final Terms do not specify a Subscription Notice Date or a Fund Subscription Date, the Subscription Notice Date shall be deemed to be the Issue Date.

**"Type 1 Fund Event"** means, subject as otherwise provided in the applicable Final Terms, the occurrence of any of the following events in the determination of the Calculation Agent:

- (a) *Nationalisation*: in respect of a Fund Interest and the related Fund, all the Fund Interests or all or substantially all the assets of the Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
- (b) *Insolvency Event*: in respect of a Fund Interest and the related Fund (i) the Fund, the related Company and/or any Fund Service Provider (A) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C)(1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (1) above and either (x) 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 (y) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (A) through (E) above; or (without prejudice to the foregoing) (ii) by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Fund, (A) all the Fund Interests of that Fund are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Fund Interests of that Fund become legally prohibited from transferring them;
- (c) *NAV Trigger/Restriction Event*: in respect of the Fund Interest, (A) the Reported Fund Interest Unit Value has decreased by a percentage equal to, or greater than, the NAV Trigger Percentage(s) during the related NAV Trigger Period, each as specified in the applicable Final Terms; or (B) the related Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;
- (d) *Aggregate NAV Trigger Event*: in respect of any Fund Interest, the aggregate of the Reported Fund Interest Unit Values for all of the Fund Interest Units comprising such Fund Interest has decreased to an amount equal to, or less than, the Aggregate NAV Trigger Value during the related Aggregate NAV Trigger Period, each as specified in the applicable Final Terms;
- (e) *Changes to Fund or Fund Service Providers*: in respect of the Fund Interest and the related Fund: (i) any change in the organisation of the Fund or of any Fund Service

Provider without the prior written consent of the Calculation Agent including, without limitation, a change of control of, or a change of the main shareholders, managing directors or Key Personnel (if any) of a Fund Service Provider, (ii) any Fund Service Provider ceasing to act in the relevant capacity in relation to the Fund unless immediately replaced in such capacity by a successor acceptable to the Calculation Agent or (iii) any delegation or transfer by the Fund Adviser of any of its powers, duties or obligations under the Fund Documents to a third party without the prior written consent of the Calculation Agent;

- (f) *Fund Modification*: in respect of the Fund Interest, any change or modification of the related Fund Documents or of any rights attaching to the related Fund Interest Units (including without limitation any change or modification affecting management policy, provisions as to redemption or the charging of expenses or increasing the existing level of, or introducing any new, fees, commissions or other expenses payable to any person, in each case as determined by the Calculation Agent) from those prevailing on the Issue Date and which could reasonably be expected to affect the value of the Fund Interest;
- (g) *Strategy Breach*: in respect of the Fund Interest, as determined by the Calculation Agent, any material breach of or non-compliance with any investment objective, investment restrictions or other strategy or investment guidelines, subscription and redemption provisions (including, without limitation, the days treated as Fund Business Days) or valuation provisions (including, without limitation, the method of determining the net asset value of the relevant Fund), in each case as set out in the Fund Documents as in effect on the Issue Date;
- (h) *Breach by Fund Service Provider*: in respect of the Fund Interest, the breach by any relevant Fund Service Provider of any obligation (including, without limitation, non-compliance with any investment guidelines relating to the Fund Interest), representation or warranties concerning the relevant Fund (including, without limitation, pursuant to any agreement with the Fund), which breach, if capable of remedy, has not been remedied within ten (10) calendar days of its occurrence;
- (i) *Type 1 Regulatory Event*: (A) in respect of the Fund Interest, (1) any change in the legal, tax, accounting, or regulatory treatments of the relevant Fund or its Fund Adviser that is reasonably likely to have an adverse impact on the value of the Fund Interest or on any investor therein (as determined by the Calculation Agent) or (2) the related Fund or any of its Fund Service Providers becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law in relation to any activities relating to or resulting from the operation of such Fund or (B) any event which would have the effect of: (i) imposing on the Issuer and/or any Affiliate or adversely modifying any reserve, special deposit, or similar requirement that would be applicable to the Issuer and/or such Affiliate in relation to the Notes or any related hedging arrangement or (ii) changing the amount of regulatory capital that would have to be maintained by the Issuer and/or any Affiliate in relation to the Notes or any related hedging arrangement;
- (j) *Reporting Disruption*: in respect of the Fund Interest, (A) the occurrence of any event affecting the Fund Interest that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of the Fund Interest, and such event continues for at least the time period specified in the applicable Final Terms or, if no time period is so specified, the Calculation Agent does not expect such event to cease in the foreseeable future; (B) any failure of the related Fund to deliver, or cause to be delivered, (1) information that such Fund has agreed to deliver, or cause to be delivered to the Calculation Agent or the Issuer as applicable, or (2) information that has been previously delivered to the Calculation Agent or the Issuer, as applicable, in accordance with such Fund's, or its authorised representative's, normal practice and that the Calculation Agent deems necessary for it or the Issuer, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to the Fund Interest; or (C) the related Fund ceases, for any reason whatsoever (either directly or through any Fund Service Provider acting on its behalf for this purpose) to provide, publish or make available its net asset value on any Fund Reporting Date and this continues for 10 consecutive Currency Business Days;
- (k) *Compulsory Redemption or Assignment*: in respect of the Fund Interest, (i) the repurchase or redemption by the Fund of all or some of the Fund Interest Units otherwise than at the request of a holder of Fund Interest Units and which the Calculation Agent determines could affect a Hypothetical Investor; or (ii) any event or circumstance (whether or not in accordance with the constitutive documents and investment guidelines of the Fund) which would mandatorily oblige a holder of Fund Interest Units to redeem, sell, assign or

otherwise dispose of any Fund Interest Units and which the Calculation Agent determines could affect a Hypothetical Investor;

- (l) *Closure to Subscriptions; Dealing Restrictions:* in respect of the Fund Interest, (A) the closure of the related Fund to new subscriptions of Fund Interests, or (B) the imposition of any dealing restrictions (including, without limitation, material amendments to relevant documentation, delay (partial or otherwise), suspension or termination (partial or otherwise) of subscription, redemption or settlement) relating to the Fund or transactions in Fund Interests by any Fund Service Provider, any affiliate or agent of any Fund Service Provider, or any intermediary platform through which the Issuer or its affiliates may contract (via a trading agreement or otherwise) in order to carry out transactions in Fund Interests, which, in either case, remains in effect for five consecutive Currency Business Days;
- (m) *Disposals: Material Change: Merger:* in respect of the Fund Interest, (A) a disposal to any person(s) of all, or a material part, of the assets of (x) the related Fund, or (y) any significant Fund Service Provider; or (B) a material change in the business of the Fund or any significant Fund Service Provider, or (C) the merger, amalgamation or consolidation of (1) the related Fund with (x) any other sub-fund or compartment of the Fund or (y) any other collective investment undertaking (or sub-Fund or compartment of such other collective investment undertaking, including another Fund), or (2) the relevant Company with any other collective investment undertaking (including, without limitation, another Fund or Company), which, in either case, may, in the determination of the Calculation Agent, have an adverse effect on the Fund;
- (n) *Hedging Disruption:* any of the following:
  - (i) the Calculation Agent reasonably determines that the Issuer or any Affiliate (a "**Hedging Party**") is unable (including without limitation by reason of illegality), or that it is impracticable for a Hedging Party, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) (each a "**Relevant Hedging Transaction**") such Hedging Party deems necessary or appropriate to hedge its exposure to price variations of the Fund Interest inherent in its obligations, in the case of the Issuer, under the Notes or, in the case of an Affiliate, under any transaction pursuant to which it hedges the Issuer's exposure to the Fund Interest under the Notes, or (ii) realise, recover or remit to any person the proceeds of such transaction or asset; and/or
  - (ii) the Calculation Agent reasonably determines that it has become illegal for any Hedging Party to hold, acquire or dispose of Fund Interests relating to the Notes; and/or
  - (iii) the Calculation Agent reasonably determines that the Issuer would incur an increased cost in respect of the Relevant Hedging Transactions related to the performance of its obligation under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position); and/or
  - (iv) the Calculation Agent reasonably determines that any Hedging Party would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any Relevant Hedging Transaction, or (B) realize, recover or remit the proceeds of any such Relevant Hedging Transaction; unless any such materially increased amount is incurred solely due to the deterioration of the creditworthiness of the Hedging Party, and such determinations by the Calculation Agent may include, but are not limited to, the following: (i) any increased illiquidity in the market for the Fund Interest (as compared with circumstances existing on the Issue Date); or (ii) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority); or (iii) the general unavailability of market participants who will so enter into a Relevant Hedging Transaction on commercially reasonable terms;
- (o) *Type 1 Hedge Fund Event:* any Type 1 Hedge Fund Event; or
- (p) *Additional Type 1 Fund Event:* any other event(s) specified as Type 1 Fund Events in the applicable Final Terms.

**"Type 1 Hedge Fund Event"** means, in respect of the Fund Interest if the related Fund is a Hedge Fund, subject as otherwise provided in the applicable Final Terms, the occurrence of any of the following in the determination of the Calculation Agent:

- (a) if a Minimum Number of Underlying Hedge Funds is specified in the applicable Final Terms, the number of underlying hedge funds in which such Fund has invested is less than the Minimum Number of Underlying Hedge Funds;
- (b) if a Minimum Volatility Percentage is specified in the applicable Final Terms, the volatility of such Fund (calculated by the Calculation Agent by taking the root mean square deviation of the price per relevant Fund Interest Unit observed monthly over a rolling year from the arithmetic average mean of such values) is greater than the Minimum Volatility Percentage;
- (c) if a Maximum Allocation to Single Hedge Fund Percentage is specified in the applicable Final Terms, the greatest percentage allocation of the amount of the net assets under management of the Fund which are invested in hedge funds to a single fund is greater than the Maximum Allocation to Single Hedge Fund Percentage;
- (d) if a Minimum Monthly Liquidity Allocation Percentage is specified in the applicable Final Terms, the percentage allocation of the amount of the net assets under management of the Fund to hedge funds which provide investors with the right to redeem at least once a month and on not more than 45 days' prior notice is less than the Minimum Monthly Liquidity Allocation Percentage;
- (e) if a Maximum Quarterly Plus Liquidity Allocation Percentage is specified in the applicable Final Terms, the percentage allocation of the amount of the net assets under management of the Fund to hedge funds which provide investors with the right to redeem no more frequently than quarterly and on not more than 90 days' prior notice is greater than the Maximum Quarterly Plus Liquidity Allocation Percentage;
- (f) if a Maximum Borrowing Allocation Percentage is specified in the applicable Final Terms, the aggregate amount of the obligations of such Fund for the payment or repayment of borrowed money as a percentage of the aggregate net asset value per Fund Unit of all the outstanding Fund Interest Units exceeds the Maximum Borrowing Allocation Percentage (any amounts expressed in a currency other than the currency of the net assets under management, for the purposes of this provision, being converted into such latter currency at a rate determined by the Calculation Agent in its discretion);
- (g) the financial condition of any of the Fund Service Providers has, in the determination of the Calculation Agent, materially deteriorated;
- (h) any audit report issued by the auditors of the Fund after the Issue Date relating to the accounts of the Fund contains any qualification by the auditors of their opinion;
- (i) following the creation of a new class of shares in the Fund, the Calculation Agent, taking into consideration without limitation the potential cross-liability between classes of shares, determines that such new class of shares has or may have an adverse effect on the value of Fund Interest Units and/or the rights of the holders of Fund Interest Units.
- (j) some or all of any Fund Interest Units are or would (in the determination of the Calculation Agent) be redeemed (or partially redeemed) by the Fund by the distribution of non-cash assets;
- (k) the failure of the Fund or the relevant Service Provider, following a subscription request from any person for Fund Interest Units, to register such Fund Interest Units in the name of such person within such period after the date on which, in the determination of the Calculation Agent, such registration would ordinarily be expected to occur in accordance with the provisions of the Fund Documents as the Calculation Agent may determine, and which the Calculation Agent determines could affect a Hypothetical Investor.

**"Type 2 Fund Event"** means any of the following:

- (a) *Fraud*: in respect of the Fund Interest and the related Fund, the Fund is the object of a material fraud which may, in the determination of the Calculation Agent, have an adverse effect on the Fund or the value of Fund Interest Units; or any act or omission of a Fund Service Provider constitutes fraud (including, but not limited to, theft, misappropriation, mispricing of holdings or concealment of trades), bad faith, wilful misconduct or negligence, as determined by the Calculation Agent in its reasonable discretion;

- (b) *Type 2 Regulatory Event*: in respect of the Fund Interest and the related Fund (i) the cancellation, suspension or revocation of the registration or approval of the Fund Interest or the related Fund by any governmental, legal or regulatory entity with authority over the Fund Interest or Fund or (ii) the withdrawal, suspension, cancellation or modification of any license, consent, permit, authorisation or clearance required for the Fund or any one or more of its significant Fund Service Providers to carry out their activities as they are or should be carried out in compliance with applicable law or regulation;
- (c) *Force Majeure Event*: in respect of the Fund Interest and the related Fund, any Fund Service Provider fails to perform any of its obligations pursuant to the Fund Documents to the extent that such performance is prevented, hindered or delayed by a Force Majeure Event, where "**Force Majeure Event**" means any event due to any cause beyond the reasonable control of the applicable Fund Service Provider, such as unavailability of communications system, failure of or interruptions in power supply or network computer systems, sabotage, fire, flood, explosion, acts of God, civil commotion, riots, insurrection or war; or
- (d) *Additional Type 2 Fund Event(s)*: any other event specified as a Type 2 Fund Event in the applicable Final Terms.

"**Valuation Date**" means each date specified as such or otherwise determined or provided for in the applicable Final Terms or, if such date is not a Currency Business Day, the next following Currency Business Day, subject to the provisions of Single Fund-Linked Condition 4.1.

"**Valuation Time**" means the time on the Valuation Date or Averaging Date specified as such in the applicable Final Terms or, if no time is so specified, the close of business in the Hypothetical Investor Jurisdiction on the relevant Valuation Date or Averaging Date.

### 3. Postponement of settlement

Unless otherwise specified in the applicable Final Terms, if the Calculation Agent determines on the date which is not later than 3 Currency Business Days prior to any date on which the Final Redemption Amount, any Early Redemption Amount or any other redemption amounts would otherwise be due to be paid (each a "**Scheduled Settlement Date**") that a Settlement Postponement Event has occurred, then "**Calculation Agent Adjustment**" (as defined in Single Fund-Linked Condition 5.5 below) shall apply as if a Fund Event had occurred in respect of which the Calculation Agent had delivered a Fund Event Notice to the Issuer on such date and the adjustments made by the Calculation Agent shall include the postponement of the obligation of the Issuer to pay the Final Redemption Amount, the Early Redemption Amount or any other redemption amounts, as applicable, until the Postponed Settlement Date and no interest or other amount shall be payable to Noteholders in respect of this postponement.

If the Postponed Settlement Date is the Postponed Settlement Long Stop Date, for the purposes of determining the Final Redemption Amount, the Early Redemption Amount or any other redemption amounts, as applicable, whether determined by reference to the Reference Price or otherwise, each Fund Interest Unit will be deemed to have a value equal to the redemption proceeds (if any) that a Hypothetical Investor which had submitted a Final Redemption Notice in respect of such Fund Interest Unit would have received in respect of such redemption on or before the Postponed Settlement Long Stop Date.

For the purposes hereof:

- (a) a "**Settlement Postponement Event**" shall be deemed to occur if, as determined by the Calculation Agent, a Hypothetical Investor in the Fund Interest which had submitted a Final Redemption Notice in respect of Fund Interest Units would not have received in full the redemption proceeds in respect of such redemptions on or before the date which is 4 Currency Business Days prior to the Scheduled Settlement Date;
- (b) the "**Postponed Settlement Date**" means, unless otherwise specified in the applicable Final Terms, whichever is the earlier of (x) the date which is 3 Currency Business Days after the date on which, as determined by the Calculation Agent, such Hypothetical Investor would have received such redemption proceeds in full and (y) the Postponed Settlement Long Stop Date;
- (c) the "**Postponed Settlement Long Stop Date**" means, unless otherwise specified in the applicable Final Terms, the date which is 3 months after the Scheduled Settlement Date;
- (d) a "**Final Redemption Notice**" means, in respect of a Fund Interest Unit, a valid redemption notice submitted on the last date permitted pursuant to the Fund Documents of the related Fund for a redemption notice that would be timely for redemption prior to the Scheduled Settlement Date (more specifically, as of the Scheduled Redemption Valuation



Date for which the Scheduled Redemption Payment Date is the last Scheduled Redemption Payment Date prior to the Scheduled Settlement Date).

#### 4. **Disrupted Days**

##### 4.1 *Consequences of Disrupted Days for Valuation Dates*

- 4.1.1 The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Issuer of the occurrence of a Disrupted Day on any day that, but for the occurrence or continuance of a Disrupted Day, would have been a Valuation Date.
- 4.1.2 If any Valuation Date is a Disrupted Day, then the Valuation Date shall be the next succeeding day that is not a Disrupted Day, unless no day that is not a Disrupted Day has occurred prior to the last day of one Cut-off Period following the Scheduled Valuation Date. In that case, (i) the last day of such Cut-off Period shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine its good faith estimate of the value for the Fund Interest as of the Valuation Time on that deemed Valuation Date.
- 4.1.3 In addition, the Calculation Agent will account for such occurrence or continuance of a Disrupted Day as it sees fit which may include but is not limited to delaying calculation and payment of the Final Redemption Amount and/or any Early Redemption Amount and/or any other amounts due under the Notes, and no interest or other amount shall be payable to Noteholders in respect of any such delay, or making the appropriate adjustment to the calculation of the Final Redemption Amount and/or any Early Redemption Amount and/or any other amounts due under the Notes, all in the determination of the Calculation Agent.

##### 4.2 *Consequences of Disrupted Days for Strike Dates*

If any Strike Date is a Disrupted Day, then the provisions set out in Single Fund-Linked Condition 4.1 above shall apply as if such Strike Date was a Valuation Date.

##### 4.3 *Consequences of Disrupted Days for Averaging Dates*

If Averaging Dates are specified in the applicable Final Terms with respect to a Valuation Date then, notwithstanding any other provisions of this Schedule, the following provisions will apply.

- 4.3.1 If any Averaging Date is a Disrupted Day, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred prior to one Cut-off Period following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (1) the last day of such Cut-off Period shall be deemed the Averaging Date (irrespective of whether such day is already an Averaging Date), and (2) the Calculation Agent shall determine its good faith estimate of the value for the Fund Interest as of the Valuation Time on that deemed Averaging Date.
- 4.3.2 "**Valid Date**" means a Currency Business Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur.
- 4.3.3 In addition, the Calculation Agent will account for such occurrence or continuance of a Disrupted Day as it sees fit which may include but is not limited to delaying calculation and payment of the Final Redemption Amount and/or any Early Redemption Amount and/or any other amounts due under the Notes, and no interest or other amount shall be payable to Noteholders in respect of any such delay, or making the appropriate adjustment to the calculation of the Final Redemption Amount and/or any Early Redemption Amount and/or any other amounts due under the Notes, all in the determination of the Calculation Agent.

#### 5. **Fund Events**

- 5.1 If at any time the Calculation Agent determines that a Fund Event has occurred and/or is continuing then the Calculation Agent shall provide written notice thereof to the Issuer (a "**Fund Event Notice**") and, unless otherwise specified in the applicable Final Terms, "**Fund Interest Replacement**" (as described in Single Fund-Linked Condition 5.4 below) shall apply as the consequence of that Fund Event unless the Calculation Agent determines that the application of "**Fund Interest Replacement**" is not appropriate or commercially reasonable, in which event "**Calculation Agent Adjustment**" (as described in Single Fund-Linked Condition 5.5 below) shall apply as the consequence of that Fund Event.
- 5.2 The Calculation Agent shall not have any obligation to monitor the occurrence of a Fund Event nor shall it have any obligation to make a determination that a Fund Event has occurred or is continuing.

- 5.3 Unless otherwise specified in the applicable Final Terms, upon triggering any consequence for a Fund Event, the mechanics for determining and calculating the valuation of the Fund Interest and any payments under the Notes shall be suspended until completion of, and may be superseded by, such consequence.
- 5.4 For the purpose of determining the consequence of a Fund Event:
- (a) **"Calculation Agent Adjustment"** means that the Calculation Agent shall (i) make such adjustment to account for such Fund Event as it considers appropriate which may include, without limitation, delaying the calculation and payment of the Final Redemption Amount and/or any Early Redemption Amount and/or any other amounts due under the Notes, and no interest or other amount shall be payable to Noteholders in respect of any such delay, or making an adjustment to the calculation of the Final Redemption Amount and/or any Early Redemption Amount and/or any other amounts due under the Notes, all in the determination of the Calculation Agent or (ii) if the Calculation Agent determines that no adjustment that it could make under (i) would produce a commercially reasonable result, **"Optional Redemption"** will be deemed to apply.
  - (b) **"Fund Interest Replacement"** means that the Calculation Agent will substitute the Fund Interest with the Successor Fund Interest relating to the Fund Interest, provided that if no Successor Fund has been identified in the manner set forth below within 10 Currency Business Days of the Fund Event Notice, then **"Calculation Agent Adjustment"** will be deemed to apply. For the purposes hereof:
    - (i) **"Successor Fund Interest"** means, in respect of the Fund Interest, the related Eligible Fund Interest or, if the applicable Final Terms do not specify any Eligible Fund Interest relating to the Fund Interest, then the Calculation Agent will use commercially reasonable efforts to identify a Successor Fund Interest based on the eligibility criteria specified in the applicable Final Terms or, if the applicable Final Terms do not specify any such eligibility criteria, with characteristics, investment objectives and policies similar to those in effect for the Fund Interest immediately prior to the occurrence of the relevant Fund Event; and
    - (ii) any substitution of the Successor Fund Interest for the Fund Interest shall be effected at such time and in such manner as specified in the applicable Final Terms or, if the time and manner for substitution of the Successor Fund Interest is not specified in the applicable Final Terms, then the Fund Interest shall be replaced by a number of Fund Interest Units of the Successor Fund Interest with a combined value (as determined by the Calculation Agent) equal to the relevant Removal Value of the applicable number of Fund Interest Units of the Fund Interest. Such replacement shall be effected, from time to time whenever the Removal Value changes, on the date, as determined by the Calculation Agent, on which the Fund issuing the Successor Fund Interest would admit a Hypothetical Investor who, on the Fund Business Day next following the date on which any Removal Value not previously applied toward any Successor Fund Interest would be received by such Hypothetical Investor redeeming out of the relevant amount of Fund Interest, had submitted a valid order to purchase such amount of the Successor Fund Interest; and
    - (iii) if necessary, the Calculation Agent will adjust any relevant terms, including, but not limited to adjustments to account for changes in volatility, investment strategy or liquidity relevant to the Fund Interests or the Notes.
  - (c) **"Optional Redemption"** means that the Issuer shall redeem each Note at its Early Redemption Amount on such date as the Issuer may notify to Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.
- 5.5 Notice of the consequences of a Fund Event shall be given to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be. Such notice shall (i) identify the relevant Fund Event and contain a summary of the facts constituting such event, (ii) if applicable, identify the Successor Fund Interest and specify the effective date of such substitution, (iii) if applicable, specify adjustments made or expected to be made by the Calculation Agent and (iv) if applicable, specify the date on which the Notes are to be redeemed.

## 6. Potential Adjustment Events

Following the declaration by any Fund of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Interest Units or amount of Fund

Interest and, if so, will (i) make the corresponding adjustment(s), if any, to any one or more of the Final Redemption Amount and/or any Early Redemption Amount and/or any other amounts payable under the Notes, the Reference Price, any Relevant Fund Interest Unit Price and, in any case, any other variable relevant to the calculation, valuation, payment or other terms of Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends or liquidity relative to the relevant Fund Interest) and (ii) determine the effective date(s) of the adjustment(s).

## 7. Corrections and Adjustments

With the exception of any Adjustments (as defined below) made after the day which is three Currency Business Days prior to a due date for any payment under the Notes calculated by reference to the price or level of a Fund Interest Unit, if the Calculation Agent determines that a Fund adjusts the Redemption Proceeds that would have been paid to a Hypothetical Investor redeeming the number of Fund Interest Units that are subject to valuation and such adjustment would be reflected in either an additional payment to such Hypothetical Investor or a claim for repayment of excess Redemption Proceeds made against such Hypothetical Investor (each an "**Adjustment**"), then the price or level to be used shall be the price or level of the relevant Fund Interest Units as so adjusted.

## 8. Exchange Traded Funds

If a Fund is specified in the applicable Final Terms to be an ETF, Schedule 3 or Schedule 4, as applicable, shall be deemed as far as practicable to apply to the Notes, subject as provided in the applicable Final Terms.

## 9. Knock-in Event and Knock-out Event

### 9.1 Knock-in Event

- 9.1.1 If "**Knock-in Event**" is specified as applicable in the applicable Final Terms with respect to any payment under the Notes then, unless otherwise specified in such Final Terms, such payment shall be conditional upon the Knock-in Event having occurred.
- 9.1.2 "**Knock-in Event**" means (unless otherwise specified in the applicable Final Terms) that the Relevant Fund Interest Unit Price of a Fund Interest Unit in the Fund Interest as of the Knock-in Valuation Time on any Knock-in Determination Day is, as specified in the applicable Final Terms, (i) "*greater than*", (ii) "*greater than or equal to*", (iii) "*less than*" or (iv) "*less than or equal to*" the Knock-in Price.
- 9.1.3 "**Knock-in Price**" means the level, price or amount specified as such in the applicable Final Terms.
- 9.1.4 "**Knock-in Reference Asset**" means the interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest identified as such in the applicable Final Terms specified as such in the applicable Final Terms. In the event that the applicable Final Terms do not specify a Knock-in Reference Asset, the Knock-in Reference Asset will be deemed to be the Fund Interest.
- 9.1.5 "**Knock-in Determination Day**" means each day specified as such in the applicable Final Terms or, if no such days are specified, each Fund Business Day from and including the Issue Date to and including the final Valuation Date or, if there is no such Valuation Date, the date that is one Settlement Cycle prior to the Maturity Date, in each case unless such day is a Disrupted Day due to the occurrence of an event giving rise to a Disrupted Day prior to the Knock-in Valuation Time on such day. If any such day is a Disrupted Day due to the occurrence of such an event, then the Knock-in Determination Day shall be the first succeeding day that is not a Disrupted Day, unless each day of the Cut-off Period that starts on the original date that, but for the occurrence of a Disrupted Day, would have been the Knock-in Determination Day is a Disrupted Day. In that case, the last day of such Cut-off Period shall be deemed to be the Knock-in Determination Day, notwithstanding the fact that such day is a Disrupted Day, and the Calculation Agent shall determine the level, price or amount of the Knock-in Reference Asset in the same manner that it would determine a level, price or amount of a Fund Interest on a deemed Valuation Date that is also a Disrupted Day in accordance with the provisions of Single Fund-Linked Condition 4.1 above, as the case may be.
- 9.1.6 "**Knock-in Valuation Time**" means the time on any Knock-in Determination Day specified as such in the applicable Final Terms. In the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time specified in the applicable Final Terms, or if no Valuation Time is specified, the close of business in the Hypothetical Investor Jurisdiction.

## 9.2 Knock-out Event

- 9.2.1 If "**Knock-out Event**" is specified as applicable in the applicable Final Terms with respect to any payment under the Notes then, unless otherwise specified in such Final Terms, such payment shall be conditional upon the Knock-out Event not having occurred.
- 9.2.2 "**Knock-out Event**" means (unless otherwise specified in the applicable Final Terms) that the Relevant Fund Interest Unit Price of a Fund Interest Unit in the Fund Interest as of the Knock-out Valuation Time on any Knock-out Determination Day is, as specified in the applicable Final Terms, (i) "*greater than*", (ii) "*greater than or equal to*", (iii) "*less than*" or (iv) "*less than or equal to*" the Knock-out Price.
- 9.2.3 "**Knock-out Price**" means the level, price or amount specified as such in the applicable Final Terms.
- 9.2.4 "**Knock-out Reference Asset**" means the interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest identified as such in the applicable Final Terms specified as such in the applicable Final Terms. In the event that the applicable Final Terms do not specify a Knock-out Reference Asset, the Knock-out Reference Asset will be deemed to be the Fund Interest.
- 9.2.5 "**Knock-out Determination Day**" means each day specified as such in the applicable Final Terms or, if no such days are specified, each Fund Business Day from and including the Issue Date to and including the final Valuation Date or, if there is no such Valuation Date, the date that is one Settlement Cycle prior to the Maturity Date, in each case unless such day is a Disrupted Day due to the occurrence of an event giving rise to a Disrupted Day prior to the Knock-out Valuation Time on such day. If any such day is a Disrupted Day due to the occurrence of such an event, then the Knock-out Determination Day shall be the first succeeding day that is not a Disrupted Day, unless each day of the Cut-off Period that starts on the original date that, but for the occurrence of a Disrupted Day, would have been the Knock-out Determination Day is a Disrupted Day. In that case, the last day of such Cut-off Period shall be deemed to be the Knock-out Determination Day, notwithstanding the fact that such day is a Disrupted Day, and the Calculation Agent shall determine the level, price or amount of the Knock-out Reference Asset in the same manner that it would determine a level, price or amount of a Fund Interest on a deemed Valuation Date that is also a Disrupted Day in accordance with the provisions of Single Fund-Linked Condition 4.1 above, as the case may be.
- 9.2.6 "**Knock-out Valuation Time**" means the time on any Knock-out Determination Day specified as such in the applicable Final Terms. In the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time specified in the applicable Final Terms, or if no Valuation Time is specified, the close of business in the Hypothetical Investor Jurisdiction.

## 10. Automatic Early Redemption

### 10.1 *Consequences of the occurrence of an Automatic Early Redemption Event*

If "**Automatic Early Redemption Event**" is specified as applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Redemption Amount payable by the Issuer on such date upon redemption of each Note shall be an amount equal to the relevant Automatic Early Redemption Amount.

### 10.2 *Definitions*

"**Automatic Early Redemption Amount**" means (a) an amount in the Specified Currency (as specified in the applicable Final Terms) specified as such in the applicable Final Terms or, if such amount is not specified, (b) the product of (i) the denomination of each Note and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date.

"**Automatic Early Redemption Date**" means each date specified as such in the applicable Final Terms or, if such date is not a Currency Business Day, the next following Currency Business Day.

"**Automatic Early Redemption Event**" means (unless otherwise specified in the applicable Final Terms) that, in respect of the Fund Interest, the Relevant Fund Interest Unit Price is, as specified in the applicable Final Terms, (i) "*greater than*", (ii) "*greater than or equal to*", (iii) "*less than*" or (iv) "*less than or equal to*" the Automatic Early Redemption Price.

**"Automatic Early Redemption Price"** means the price specified as such or otherwise determined in the applicable Final Terms.

**"Automatic Early Redemption Rate"** means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms.

**"Automatic Early Redemption Valuation Date"** means each date specified as such in the applicable Final Terms or, if such date is not a Currency Business Day the next following Currency Business Day, subject to **"Consequences of Disrupted Day(s)"** set forth below.

**"Automatic Early Redemption Valuation Time"** means the time on any Automatic Early Redemption Valuation Date specified as such in the applicable Final Terms. In the event that the applicable Final Terms do not specify an Automatic Early Redemption Valuation Time, the Automatic Early Redemption Valuation Time shall be the Valuation Time specified in the applicable Final Terms, or if no Valuation Time is specified, the close of business in the Hypothetical Investor Jurisdiction.

**"Scheduled Automatic Early Redemption Valuation Date"** means, in respect of the Fund Interest, the original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Automatic Early Redemption Valuation Date.

#### 10.3 *Consequences of Disrupted Days*

If any Automatic Early Redemption Valuation Date is a Disrupted Day, then the provisions set out in Single Fund-Linked Condition 4.1 above shall apply as if such Automatic Early Redemption Valuation Date was a Valuation Date.

## SCHEDULE 6: FUND-LINKED NOTES (BASKET OF FUND INTERESTS)

The terms and conditions applicable to Notes linked to a basket of funds shall comprise the Conditions of the Euro Medium Term Notes set out above (the "**Principal Conditions**") and the additional terms and conditions set out below (the "**Fund Basket-Linked Conditions**") in each case subject to the applicable Final Terms. In the event of any inconsistency between (i) the Principal Conditions and the Fund Basket-Linked Conditions, the Fund Basket-Linked Conditions shall prevail. In the event of any inconsistency between (i) the Principal Conditions and/or the Fund Basket-Linked Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

### 1. Final Redemption

For the purposes of Principal Conditions 5(a) and unless previously redeemed or purchased and cancelled in accordance with the Conditions, the Final Redemption Amount payable per Note in respect of the Maturity Date (subject to postponement of settlement as provided in Fund Basket-Linked Condition 3 (*Postponement of settlement at Maturity Date*) below, if applicable) shall be an amount in the Specified Currency determined by the Calculation Agent as set forth in the applicable Final Terms and the following provisions.

### 2. Definitions

For the purposes of the Principal Conditions, the following terms shall have the meanings set out below:

**"Additional Fund Service Provider"** means, in respect of any Fund, any person or entity (if any) specified as such in the applicable Final Terms.

**"Affected Fund Interest"** means, at any time, any Fund Interest in respect of which the Calculation Agent has determined that a Fund Event has occurred.

**"Affiliate"** means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person (for such purposes, "control" of any entity or person means ownership of a majority of the voting power of the entity or person).

**"Aggregate NAV Trigger Period"** means the period (if any) specified as such in the applicable Final Terms.

**"Aggregate NAV Trigger Value"** means the value (if any) specified as such in the applicable Final Terms.

**"Averaging Date"** means, in respect of each Valuation Date, each date (if any) specified as such or otherwise determined as provided in the applicable Final Terms or, if such day is not a Currency Business Day, the next following Currency Business Day, subject to the provisions of Fund Basket-Linked Condition 4.3.

**"Basket"** means a basket composed of such Fund Interests in such Funds specified in the applicable Final Terms in the relative proportions or number of Fund Interest Units of each Fund Interest specified in the applicable Final Terms, subject to the provisions of Fund Basket-Linked Condition 5 (*Fund Events*) below.

**"Company"** means, in respect of a Fund Interest and the related Fund, the entity (if any) specified as such in the applicable Final Terms (if any).

**"Currency Business Day"** means any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre for the Specified Currency specified in the applicable Final Terms. If such Specified Currency is euro, any day that is a Target Settlement Day shall be a Currency Business Day.

**"Cut-off Period"** means, in respect of any date, the period specified in the applicable Final Terms, or if no such period is specified, a period of one calendar year; provided that if a "Final Cut-off Date" is specified in the applicable Final Terms, then any Cut-off Period that would otherwise end after such Final Cut-off Date shall end on such Final Cut-off Date.

**"Disrupted Day"** means any day on which a Market Disruption Event has occurred or is continuing.

**"Early Redemption Amount"** means, in respect of any Note, an amount determined by the Calculation Agent in the Specified Currency specified in the applicable Final Terms, to be the fair market value of a Note based on the market conditions prevailing at the date of determination reduced to account fully for any reasonable expenses and costs of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any Fund Interests, options, swaps or other instruments of any

type whatsoever hedging the Issuer's obligations under the Notes) and, if (a) a Protected Amount is specified in the applicable Final Terms and (b) any Fund Event which has resulted in the redemption of the Note prior to its scheduled maturity is a Type 1 Fund Event, then the Early Redemption Amount shall be no less than the Net Present Value of a payment of the Protected Amount payable on the Maturity Date.

**"Eligible Fund Interest"** means, in respect of any Affected Fund Interest, the interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest (if any) specified as such in the applicable Final Terms.

**"ETF"** or **"Exchange Traded Fund"** means any Fund specified as an Exchange Traded Fund in the applicable Final Terms or, if not so specified, any Fund which the Calculation Agent determines to be an Exchange Traded Fund.

**"Exchange"** means, in respect of any ETF, the exchange or quotation system specified for such ETF in the applicable Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Fund Interest Units in respect of such ETF has temporarily relocated.

**"Extraordinary Dividend"** means an amount per relevant Fund Interest Unit or other amount of Fund Interest specified or otherwise determined as provided in the applicable Final Terms provided that if no Extraordinary Dividend is specified in or otherwise determined as provided in the applicable Final Terms, the characterisation of a dividend or portion thereof as an Extraordinary Dividend shall be determined by the Calculation Agent.

**"Final Cut-off Date"** means the date specified as such in the applicable Final Terms.

**"Final Valuation Date"** means, if there is more than one Valuation Date, the last Valuation Date or, if there is only one Valuation Date, the Valuation Date.

**"Final Valuation Time"** means, if there are more than one Valuation Date, the Valuation Time in relation to the last Valuation Date or, if there is only one Valuation Date, the Valuation Time.

**"Fund"** means, in respect of any Fund Interest, unless otherwise specified in the applicable Final Terms, the Issuer of, or other legal arrangement (including, if applicable, any relevant class or series) giving rise to, the relevant Fund Interest.

**"Fund Administrator"** means, in respect of any Fund, any person specified as such in the applicable Final Terms or, if no person is so specified, the fund administrator, manager, trustee or similar person with the primary administrative responsibilities to such Fund according to the Fund Documents.

**"Fund Adviser"** means, in respect of any Fund, any person specified as such in the applicable Final Terms, or if no person is so specified, any person appointed in the role of discretionary investment manager or non-discretionary investment adviser (including a non-discretionary investment adviser to a discretionary investment manager or to another non-discretionary investment adviser) for such Fund.

**"Fund Business Day"** means, in respect of any Fund Interest and the related Fund, any day specified as such in the applicable Final Terms or, if no day is so specified, any day on which the Fund or the primary Fund Administrator acting on behalf of the Fund is open for business.

**"Fund Custodian"** means, in respect of any Fund, any person specified as such in the applicable Final Terms or, if no person is so specified, the fund custodian or similar person with the primary custodial responsibilities in relation to such Fund according to the Fund Documents.

**"Fund Documents"** means, in respect of any Fund Interest, the constitutive and governing documents, subscription agreements and other agreements of the related Fund specifying the terms and conditions relating to such Fund Interest (including, without limitation, the Fund Prospectus) and any additional documents specified in the applicable Final Terms (each an **"Additional Fund Document"**), in each case as amended from time to time.

**"Fund Event"** means any Type 1 Fund Event and/or any Type 2 Fund Event.

**"Fund Event Notice"** has the meaning given to that term in Fund Basket-Linked Condition 5 (*Fund Events*) below.

**"Fund Interest"** means an interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest identified as such in the applicable Final Terms, as specified in the applicable Final Terms.

**"Fund Interest Performance"** means, in respect of any Fund Interest and any Valuation Date or Averaging Date, a rate determined by the Calculation Agent in accordance with the formula specified as such in the applicable Final Terms.

**"Fund Interest Unit"** means, in respect of any Fund Interest and the related Fund, a share in such Fund or, if Fund Interests in such Fund are not denominated as shares, a notional unit of account of ownership in such Fund in the amount specified in the applicable Final Terms.

**"Fund Prospectus"** means, in respect of any Fund Interest and the related Fund, the prospectus or other offering document issued by such Fund in connection with such Fund Interest, as amended or supplemented from time to time.

**"Fund Reporting Date"** means, in respect of any Fund Interest and Fund Valuation Date, the date on which the Reported Fund Interest Unit Value of such Fund Interest as determined as of such Fund Valuation Date is reported or published.

**"Fund Service Provider"** means, in respect of any Fund, any person who is appointed to provide services, directly or indirectly, to that Fund, whether or not specified in the Fund Documents, including without limitation any Fund Adviser, Fund Administrator, Fund Custodian and Additional Fund Service Provider.

**"Fund Subscription Date"** means, in respect of any Fund Interest, the date specified as such in the applicable Final Terms or, if no such date is specified, the day as of which a request by a Hypothetical Investor for subscription to such Fund Interest that has been submitted on the related Subscription Notice Date and in a form and substance acceptable to the related Fund would be considered effective by such Fund.

**"Fund Valuation Date"** means, in respect of any Fund Interest, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) determines the value of such Fund Interest or, if the related Fund only reports its aggregate net asset value, the date as of which such Fund determines its aggregate net asset value.

**"Hedge Fund"** means any Fund specified as a hedge fund in the applicable Final Terms or, if not so specified, any Fund which the Calculation Agent determines to be a hedge fund or a fund of hedge funds.

**"Hedging Party"** has the meaning given in the definition of "*Type 1 Fund Event*" below.

**"Highest Fund Interest Performance"** means, in respect of any Valuation Date or Averaging Date, the numerically highest Fund Interest Performance as determined by the Calculation Agent among the Fund Interest Performances determined in respect of such Valuation Date or Averaging Date.

**"Highest Performing Fund Interest"** means, in respect of any Valuation Date or Averaging Date, the Fund Interest with the Highest Fund Interest Performance as at such Valuation Date or Averaging Date.

**"Hypothetical Investor"** means, unless otherwise specified in the applicable Final Terms, in respect of any Fund Interest, a hypothetical investor in such Fund Interest located in the Hypothetical Investor Jurisdiction and deemed to have (a) the benefits and obligations, as provided under the Fund Documents, of an investor holding, as of the related Fund Subscription Date, an interest in the relevant Fund in an amount equal to the relevant number of relevant Fund Interest Units or amount of the Fund Interest; (b) in the case of any deemed redemption of such Fund Interest, to have submitted to the relevant Fund on the relevant Redemption Notice Date, a duly completed notice requesting redemption of the relevant number of Fund Interest Units; and (c) in the case of any deemed investment in such Fund Interest, to have submitted, on the Subscription Notice Date, a duly completed notice to the relevant Fund, requesting subscription to the relevant number of Fund Interest Units.

**"Hypothetical Investor Jurisdiction"** means the jurisdiction specified as such in the applicable Final Terms or, if no jurisdiction is so specified, the Grand Duchy of Luxembourg.

**"Initial Fund Interest Unit Price"** means, in respect of any Fund Interest, the price per Fund Interest Unit specified in the applicable Final Terms or, if no such price is so specified, the Relevant Fund Interest Unit Price of such Fund Interest Unit as at the Strike Date determined by the Calculation Agent as if the Strike Date was a Valuation Date.

**"Key Personnel"** means, in respect of any Hedge Fund, the person or persons (if any) so specified, together with their positions, in the applicable Final Terms.

**"Lowest Fund Interest Performance"** means, in respect of any Valuation Date or Averaging Date, the numerically lowest Fund Interest Performance as determined by the Calculation Agent among the Fund Interest Performances determined in respect of such Valuation Date or Averaging Date.



**"Lowest Performing Fund Interest"** means, in respect of any Valuation Date or Averaging date, the Fund Interest with the Lowest Fund Interest Performance as at such Valuation Date or Averaging Date.

**"Market Disruption Event"** means any of the following events as determined by the Calculation Agent:

- (a) in respect of any Funds Interest, the failure of a Scheduled Fund Valuation Date to be a Fund Valuation Date or any continued postponement of such Fund Valuation Date; or
- (b) in respect of any Funds Interest, there is a failure by the Fund to pay the full amount (whether expressed as a percentage or otherwise) of the Redemption Proceeds with respect to the relevant number of Funds Interest Units or amount of such Funds Interest scheduled to have been paid on or by such day according to the Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Funds Interests);
- (c) the inability (including by reason of illegality) of, or the impracticability for, a Hedging Party to (i) unwind or dispose of any transaction it has entered into, or any asset it holds, in either case for the purpose of hedging its exposure to price variations of the Basket inherent in its obligations, in the case of the Issuer, under the Notes or, in the case of an Affiliate, under any transaction pursuant to which it hedges the Issuer's exposure to the Basket under the Notes, or (ii) realize, recover or remit to any person the proceeds of any such transaction or asset,

provided that if any event would otherwise be both a Market Disruption Event and a Fund Event, such event shall be treated solely as a Fund Event.

**"Maximum Allocation to Single Hedge Fund Percentage"** means, in respect of any Fund Interest and the related Fund, the percentage (if any) specified as such in the applicable Final Terms.

**"Maximum Borrowing Allocation Percentage"** means, in respect of any Fund Interest and the related Fund, the percentage (if any) specified as such in the applicable Final Terms.

**"Maximum Quarterly Plus Liquidity Allocation Percentage"** means, in respect of any Fund Interest and the related Fund, the percentage (if any) specified as such in the applicable Final Terms.

**"Minimum Monthly Liquidity Allocation Percentage"** means, in respect of any Fund Interest and the related Fund, the percentage (if any) specified as such in the applicable Final Terms.

**"Minimum Number of Underlying Hedge Funds"** means, in respect of any Fund Interest and the related Fund, the number (if any) specified as such in the applicable Final Terms.

**"Minimum Volatility Percentage"** means, in respect of any Fund Interest and the related Fund, the percentage (if any) specified as such in the applicable Final Terms.

**"NAV Trigger Percentage"** means the percentage (if any) specified as such in the applicable Final Terms.

**"NAV Trigger Period"** means the period (if any) specified as such in the applicable Final Terms.

**"Net Present Value"** means, in respect of an amount payable on a future date, the discounted value of such amount as calculated by the Calculation Agent in its discretion taking into account the relevant interbank offered rate at the time of such calculation for one month deposits in the relevant currency or such other reference rate as the Calculation Agent determines to be appropriate.

**"Number of Fund Interest Units"** means at any time, in respect of the Fund Interest Units of each Fund comprised in the Basket at such time, the number of such Fund Interest Units per Basket specified or otherwise determined as provided in the applicable Final Terms.

**"Potential Adjustment Event"** means, in respect of any Fund Interest, any of the following events in the determination of the Calculation Agent:

- (a) a subdivision, consolidation or reclassification of the relevant amount of Fund Interest, or a free distribution or dividend of any such Fund Interest to existing holders by way of bonus, capitalization or similar issue;
- (b) a distribution, issue or dividend to existing holders of the relevant Fund Interest of (A) an additional amount of such Fund Interest, or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Fund equally or proportionately with such payments to holders of such Fund Interest, or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Fund as a result of a spin-off or other similar transaction, or (D) any other type of securities, rights or warrants or other assets, in

- any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (c) an Extraordinary Dividend;
- (d) a repurchase by the Fund of relevant Fund Interests whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Fund Interests initiated by an investor in such Fund Interests; or
- (e) any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Interests.

**"Protected Amount"** means the amount (if any) specified as such in the applicable Final Terms.

**"Redemption Notice Date"** means, in respect of any Fund Interest and any Valuation Date or Averaging Date, the date specified as such in the applicable Final Terms or, if no date is so specified, the last date on which a Hypothetical Investor in such Fund Interest would be permitted, pursuant to the Fund Documents of the related Fund, to submit a redemption notice that would be timely for a redemption as of the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date falls on or immediately prior to such Valuation Date or Averaging Date.

**"Redemption Proceeds"** means, in respect of the relevant number of Fund Interest Units or amount of any Fund Interest, the redemption proceeds that in the determination of the Calculation Agent would be paid by the related Fund to a Hypothetical Investor who, as of the relevant Redemption Valuation Date, redeems such number of Fund Interest Units or amount of Fund Interest (for the avoidance of doubt after deduction of any tax, levy, charge, assessment or fee of any nature that, in the determination of the Calculation Agent, would (or would be very likely to) be withheld or deducted from such amount); provided that (a) any such proceeds that would be paid in property other than cash shall be deemed to have a value of zero and (b) if the Hypothetical Investor would be entitled to elect payment of such redemption proceeds to be made either in the form of cash or other property, then the Hypothetical Investor shall be deemed to have elected cash payment, except as otherwise specified in the applicable Final Terms.

**"Redemption Valuation Date"** means, in respect of any Fund Interest and any Scheduled Redemption Valuation Date, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) determines the net asset value of such Fund Interest for purposes of calculating the redemption proceeds to be paid to a Hypothetical Investor that has submitted a valid notice for redemption on or before the related Redemption Notice Date.

**"Reference Price"** means the price per Basket determined as provided in the applicable Final Terms as of the Final Valuation Time on the Final Valuation Date or, if no means of determining such price are so provided, the sum of the values calculated as of the Final Valuation Time on the Final Valuation Date for each Fund Interest Unit comprising the Basket as the product of the Relevant Fund Interest Unit Price of such Fund Interest Unit and the relevant Number of Fund Interest Units comprised in the Basket. When calculating the Relevant Fund Interest Unit Price of any Fund Interest Unit for the purposes of determining the Reference Price, the Valuation Time and the Valuation Date will be the Final Valuation Time and the Final Valuation Date, respectively.

**"Relevant Fund Interest Unit Price"** means, in respect of a Fund Interest and any Valuation Date or Averaging Date, the price per related Fund Interest Unit determined by the Calculation Agent as provided in the applicable Final Terms as of the Valuation Time on the Valuation Date or Averaging Date, as the case may be, or, if no means for determining the Relevant Fund Interest Unit Price are so provided, an amount equal to the Redemption Proceeds relating to such Fund Interest Unit that in the determination of the Calculation Agent would be received by a Hypothetical Investor in such Fund Interest in respect of a redemption of Fund Interest Units targeted to be effected as of the Scheduled Redemption Valuation Date relating to such Valuation Date or Averaging Date, as the case may be.

**"Removal Value"** means, in respect of any Affected Fund Interest, the value calculated by the Calculation Agent in the same manner as would be used in determining the Relevant Fund Interest Unit Price of Fund Interest Units in the related Fund, but assuming a valid notice requesting redemption of Fund Interest Units in such Fund has been submitted to such Fund on the Fund Business Day next following delivery of the relevant Fund Event Notice.

**"Reported Fund Interest Unit Value"** means, in respect of any Fund Interest and a Fund Reporting Date relating to such Fund Interest, the value per Fund Interest Unit as of the related Fund Valuation Date or, if the related Fund reports only its aggregate net asset value, the portion of such Fund's aggregate net asset value relating to one Fund Interest Unit, in each case as reported on such Fund Reporting Date by the Fund Service Provider that generally reports such value on behalf of the Fund to its investors or a publishing service.

**"Scheduled Fund Valuation Date"** means, in respect of any Fund Interest, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interests), to determine the value of such Fund Interest or, if the related Fund only reports its aggregate net asset value, the date as of which such Fund determines its aggregate net asset value.

**"Scheduled Redemption Payment Date"** means, in respect of any Fund Interest and any Scheduled Redemption Valuation Date, the date specified as such in the applicable Final Terms or, if not so specified, the date by which the related Fund is scheduled to have paid, according to its Fund Documents, all or a specified portion of the Redemption Proceeds to an investor that has submitted a timely and valid notice requesting redemption of such Fund Interest as of such Scheduled Redemption Valuation Date.

**"Scheduled Redemption Valuation Date"** means, in respect of any Fund Interest, the date as of which the related Fund (or its Fund Service Provider that generally determines such value) is scheduled, according to its Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Fund to delay or refuse redemption of Fund Interests), to determine the net asset value of such Fund Interest for purposes of calculating the redemption proceeds to be paid to an investor that has submitted a valid and timely notice for redemption of Fund Interests based on the value determined as of such date. The Scheduled Redemption Valuation Date relating to any Valuation Date or Averaging Date, as the case may be, shall be the date specified as such in the applicable Final Terms or, if no such date is specified, the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date falls on or immediately prior to such Valuation Date or Averaging Date, as the case may be.

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

**"Settlement Cycle"** means the period specified as such in the applicable Final Terms or, if no period is so specified, two Currency Business Days.

**"Strike Date"** means the date (if any) specified as such in the Final Terms, or if such date is not a Currency Business Day, the next following Currency Business Day, subject to the provisions of Fund Basket-Linked Condition 4.2.

**"Strike Price"** means the price (if any) specified as such in the applicable Final Terms.

**"Subscription Notice Date"** means, in respect of any Fund Interest and any Fund Subscription Date, the date specified as such in the applicable Final Terms or, if no date is so specified, the last date on which a notice to subscribe to such Fund Interest may be submitted pursuant to the Fund Documents of the related Fund and be considered effective as of such Fund Subscription Date. If the applicable Final Terms do not specify a Subscription Notice Date or a Fund Subscription Date, the Subscription Notice Date shall be deemed to be the Issue Date.

**"Type 1 Fund Event"** means, subject as otherwise provided in the applicable Final Terms, the occurrence of any of the following events in the determination of the Calculation Agent:

- (a) *Nationalisation*: in respect of a Fund Interest and the related Fund, all the Fund Interests or all or substantially all the assets of the Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;
- (b) *Insolvency Event*: in respect of a Fund Interest and the related Fund (i) the Fund, the related Company and/or any Fund Service Provider (A) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (B) makes a general assignment or arrangement with or for the benefit of its creditors; (C)(1) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (2) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (1) above and either (x) 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 (y) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (D) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (E) has a secured

party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; or (F) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (A) through (E) above; or (without prejudice to the foregoing) (ii) by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Fund, (A) all the Fund Interests of that Fund are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Fund Interests of that Fund become legally prohibited from transferring them;

- (c) *NAV Trigger/Restriction Event*: in respect of any Fund Interest, (A) the Reported Fund Interest Unit Value has decreased by a percentage equal to, or greater than, the NAV Trigger percentage(s) during the related NAV Trigger Period, each as specified in the applicable Final Terms; or (B) the related Fund has violated any leverage restriction that is applicable to, or affecting, such Fund or its assets by operation of any law, any order or judgment of any court or other agency of government applicable to it or any of its assets, the Fund Documents or any contractual restriction binding on or affecting the Fund or any of its assets;
- (d) *Aggregate NAV Trigger Event*: in respect of any Fund Interest, the aggregate of the Reported Fund Interest Unit Values for all of the Fund Interest Units comprising such Fund Interest has decreased to an amount equal to, or less than, the Aggregate NAV Trigger Value during the related Aggregate NAV Trigger Period, each as specified in the applicable Final Terms;
- (e) *Changes to Fund or Fund Service Providers*: in respect of any Fund Interest and the related Fund: (i) any change in the organisation of the Fund or of any Fund Service Provider without the prior written consent of the Calculation Agent including, without limitation, a change of control of, or a change of the main shareholders, managing directors or Key Personnel (if any) of a Fund Service Provider, (ii) any Fund Service Provider ceasing to act in the relevant capacity in relation to the Fund unless immediately replaced in such capacity by a successor acceptable to the Calculation Agent or (iii) any delegation or transfer by the Fund Adviser of any of its powers, duties or obligations under the Fund Documents to a third party without the prior written consent of the Calculation Agent;
- (f) *Fund Modification*: in respect of any Fund Interest, any change or modification of the related Fund Documents or of any rights attaching to the related Fund Interest Units (including without limitation any change or modification affecting management policy, provisions as to redemption or the charging of expenses or increasing the existing level of, or introducing any new, fees, commissions or other expenses payable to any person, in each case as determined by the Calculation Agent) from those prevailing on the date on which any Fund Interest issued by such fund was first included in the Basket and which could reasonably be expected to affect the value of such Fund Interest;
- (g) *Strategy Breach*: in respect of any Fund Interest, as determined by the Calculation Agent, any material breach of or non-compliance with any investment objective, investment restrictions or other strategy or investment guidelines, subscription and redemption provisions (including, without limitation, the days treated as Fund Business Days) or valuation provisions (including, without limitation, the method of determining the net asset value of the relevant Fund), in each case as set out in the Fund Documents as in effect on the Issue Date or, if later, the date on which such Fund Interest was first included in the Basket;
- (h) *Breach by Fund Service Provider*: in respect of any Fund Interest, the breach by any relevant Fund Service Provider of any obligation (including, without limitation, non-compliance with any investment guidelines relating to such Fund Interest), representation or warranties concerning the relevant Fund (including, without limitation, pursuant to any agreement with the Fund), which breach, if capable of remedy, has not been remedied within ten (10) calendar days of its occurrence;
- (i) *Type 1 Regulatory Event*: (A) in respect of any Fund Interest, (1) any change in the legal, tax, accounting, or regulatory treatments of the relevant Fund or its Fund Adviser that is reasonably likely to have an adverse impact on the value of such Fund Interest or on any investor therein (as determined by the Calculation Agent) or (2) the related Fund or any of its Fund Service Providers becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law in relation to any activities relating to or resulting from the operation of such fund or (B) any event which would have the effect of: (i) imposing on the Issuer and/or any Affiliate or adversely modifying any reserve, special deposit, or similar requirement that would be applicable to the issuer and/or such Affiliate in relation to the Notes or any related hedging arrangement or (ii)

changing the amount of regulatory capital that would have to be maintained by the Issuer and/or any Affiliate in relation to the Notes or any related hedging arrangement;

- (j) *Reporting Disruption*: in respect of any Fund Interest, (A) the occurrence of any event affecting such Fund Interest that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Interest, and such event continues for at least the time period specified in the applicable Final Terms or, if no time period is so specified, the Calculation Agent does not expect such event to cease in the foreseeable future; (B) any failure of the related Fund to deliver, or cause to be delivered, (1) information that such Fund has agreed to deliver, or cause to be delivered to the Calculation Agent or the Issuer, as applicable, or (2) information that has been previously delivered to the Calculation Agent or the Issuer, as applicable, in accordance with such Fund's, or its authorised representative's, normal practice and that the Calculation Agent deems necessary for it or the Issuer, as applicable, to monitor such Fund's compliance with any investment guidelines, asset allocation methodologies or any other similar policies relating to such Fund Interests; or (C) the related Fund ceases, for any reason whatsoever (either directly or through any Fund Service Provider acting on its behalf for this purpose) to provide, publish or make available its net asset value on any Fund Reporting Date and this continues for 10 consecutive Currency Business Days;
- (k) *Compulsory Redemption or Assignment*: in respect of any Fund Interest, (i) the repurchase or redemption by the Fund of all or some of the Fund Interest Units otherwise than at the request of a holder of Fund Interest Units and which the Calculation Agent determines could effect a Hypothetical Investor; or (ii) any event or circumstance (whether or not in accordance with the constitutive documents and investment guidelines of the Fund) which would mandatorily oblige a holder of Fund Interest Units to redeem, sell, assign or otherwise dispose of any Fund Interest Units and which the Calculation Agent determines could effect a Hypothetical Investor;
- (l) *Closure to Subscriptions; Dealing Restrictions*: in respect of any Fund Interest, (A) the closure of the related Fund to new subscriptions of Fund Interests, or (B) the imposition of any dealing restrictions (including, without limitation, material amendments to relevant documentation, delay (partial or otherwise), suspension or termination (partial or otherwise) of subscription, redemption or settlement) relating to the Fund or transactions in Fund Interests by any Fund Service Provider, any Affiliate or agent of any Fund Service Provider, or any intermediary platform through which the Issuer or its Affiliates may contract (via a trading agreement or otherwise) in order to carry out transactions in Fund Interests, which, in either case, remains in effect for five consecutive Currency Business Days;
- (m) *Disposals: Material Change: Merger*: in respect of any Fund Interest, (A) a disposal to any person(s) of all, or a material part, of the assets of (i) the related Fund, or (ii) any significant Fund Service Provider; or (B) a material change in the business of the Fund or any significant Fund Service Provider, or (C) the merger, amalgamation or consolidation of (i) the related Fund with (1) any other sub-Fund or compartment of the Fund or (2) any other collective investment undertaking (or sub-Fund or compartment of such other collective investment undertaking, including another fund), or (ii) the relevant Company with any other collective investment undertaking (including, without limitation, another Fund or Company), which, in either case, may, in the determination of the Calculation Agent, have an adverse effect on the Fund;
- (n) *Hedging disruption*: any of the following:
  - (i) the Calculation Agent reasonably determines that the Issuer or any Affiliate (a "**Hedging Party**") is unable (including without limitation by reason of illegality), or that it is impracticable for a Hedging Party, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) (each a "**Relevant Hedging Transaction**") such Hedging Party deems necessary or appropriate to hedge its exposure to price variations of the Basket inherent in its obligations, in the case of the Issuer, under the Notes or, in the case of an Affiliate, under any transaction pursuant to which it hedges the Issuer's exposure to the Basket under the Notes, or (ii) realise, recover or remit to any person the proceeds of such transaction or asset; and/or
  - (ii) the Calculation Agent reasonably determines that it has become illegal for any Hedging Party to hold, acquire or dispose of Fund Interests relating to the Notes; and/or
  - (iii) the Calculation Agent reasonably determines that the Issuer would incur an increased cost in respect of the relevant Hedging Transactions related to the performance of its obligation under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position); and/or

- (iv) the Calculation Agent reasonably determines that any Hedging Party would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any relevant Hedging Transaction, or (B) realize, recover or remit the proceeds of any such relevant Hedging Transaction; unless any such materially increased amount is incurred solely due to the deterioration of the creditworthiness of the Hedging Party,

and such determinations by the Calculation Agent may include, but are not limited to, the following: (A) any increased illiquidity in the market for any Fund Interests comprising the Basket (as compared with circumstances existing on the Issue Date); or (B) a change in any applicable law (including, without limitation, any tax law) or the promulgation of, or change in, the interpretation of any court, tribunal or regulatory authority with competent jurisdiction of any applicable law (including any action taken by a taxing authority); or (C) the general unavailability of market participants who will so enter into a relevant Hedging Transaction on commercially reasonable terms;

- (o) *Type 1 Hedge Fund event*: any Type 1 Hedge Fund Event; or
- (p) *additional Type 1 Fund Event*: any other event(s) specified as Type 1 Fund Events in the applicable Final Terms.

**"Type 1 Hedge Fund Event"** means, in respect of any Fund Interest whose related Fund is a Hedge Fund, subject as otherwise provided in the applicable Final Terms, the occurrence of any of the following in the determination of the Calculation Agent:

- (a) if a Minimum Number of Underlying Hedge Funds is specified in the applicable Final Terms, the number of underlying hedge funds in which such Fund has invested is less than the Minimum Number of Underlying Hedge Funds;
- (b) if a Minimum Volatility Percentage is specified in the applicable Final Terms, the volatility of such Fund (calculated by the Calculation Agent by taking the root mean square deviation of the price per relevant Fund Interest Unit observed monthly over a rolling year from the arithmetic average mean of such values) is greater than the Minimum Volatility Percentage;
- (c) if a Maximum Allocation to Single Hedge Fund Percentage is specified in the applicable Final Terms, the greatest percentage allocation of the amount of the net assets under management of the Fund which are invested in hedge funds to a single fund is greater than the Maximum Allocation to Single Hedge Fund Percentage;
- (d) if a Minimum Monthly Liquidity Allocation Percentage is specified in the applicable Final Terms, the percentage allocation of the amount of the net assets under management of the Fund to hedge funds which provide investors with the right to redeem at least once a month and on not more than 45 days' prior notice is less than the Minimum Monthly Liquidity Allocation Percentage;
- (e) if a Maximum Quarterly Plus Liquidity Allocation Percentage is specified in the applicable Final Terms, the percentage allocation of the amount of the net assets under management of the Fund to hedge funds which provide investors with the right to redeem no more frequently than quarterly and on not more than 90 days' prior notice is greater than the Maximum Quarterly Plus Liquidity Allocation Percentage;
- (f) if a Maximum Borrowing Allocation Percentage is specified in the applicable Final Terms, the aggregate amount of the obligations of such Fund for the payment or repayment of borrowed money as a percentage of the aggregate net asset value per Fund Unit of all the outstanding Fund Interest Units exceeds the Maximum Borrowing Allocation Percentage (any amounts expressed in a currency other than the currency of the net assets under management, for the purposes of this provision, being converted into such latter currency at a rate determined by the Calculation Agent in its discretion);
- (g) the financial condition of any of the Fund Service Providers has, in the determination of the Calculation Agent, materially deteriorated;
- (h) any audit report issued by the auditors of the Fund after the Issue Date relating to the accounts of the Fund contains any qualification by the auditors of their opinion;
- (i) following the creation of a new class of shares in the Fund, the Calculation Agent, taking into consideration without limitation the potential cross-liability between classes of shares, determines that such new class of shares has or may have an adverse effect on the value of Fund Interest Units and/or the rights of the holders of Fund Interest Units.

- (j) some or all of any Fund Interest Units are or would (in the determination of the Calculation Agent) be redeemed (or partially redeemed) by the Fund by the distribution of non-cash assets;
- (k) the failure of the Fund or the relevant Service Provider, following a subscription request from any person for Fund Interest Units, to register such Fund Interest Units in the name of such person within such period after the date on which, in the determination of the Calculation Agent, such registration would ordinarily be expected to occur in accordance with the provisions of the Fund Documents as the Calculation Agent may determine, and which the Calculation Agent determines could affect a Hypothetical Investor.

"**Type 2 Fund Event**" means any of the following:

*Fraud*: in respect of any Fund Interest and the related Fund, the Fund is the object of a material fraud which may, in the determination of the Calculation Agent, have an adverse effect on the Fund or the value of Fund Interest Units; or any act or omission of a Fund Service Provider constitutes fraud (including, but not limited to, theft, misappropriation, mispricing of holdings or concealment of trades), bad faith, wilful misconduct or negligence, as determined by the Calculation Agent in its reasonable discretion;

Type 2 Regulatory Event: in respect of any Fund Interest and the related Fund (i) the cancellation, suspension or revocation of the registration or approval of such Fund Interest or the related Fund by any governmental, legal or regulatory entity with authority over such Fund Interest or Fund or (ii) the withdrawal, suspension, cancellation or modification of any license, consent, permit, authorisation or clearance required for the Fund or any one or more of its significant Fund Service Providers to carry out their activities as they are or should be carried out in compliance with applicable law or regulation;

Force Majeure Event: in respect of any Fund Interest and the related Fund, any Fund Service Provider fails to perform any of its obligations pursuant to the Fund Documents to the extent that such performance is prevented, hindered or delayed by a Force Majeure Event, where "**Force Majeure Event**" means any event due to any cause beyond the reasonable control of the applicable Fund Service Provider, such as unavailability of communications system, failure of or interruptions in power supply or network computer systems, sabotage, fire, flood, explosion, acts of God, civil commotion, riots, insurrection or war; or

Additional Type 2 Fund Event(s): any other event specified as a Type 2 Fund Event in the applicable Final Terms.

"**Valuation Date**" means each date specified as such or otherwise determined or provided for in the applicable Final Terms or, if such date is not a Currency Business Day, the next following Currency Business Day, subject to the provisions of Fund Basket-Linked Condition 4.1.

"**Valuation Time**" means the time on the Valuation Date or Averaging Date specified as such in the applicable Final Terms or, if no time is so specified, the close of business in the Hypothetical Investor Jurisdiction on the relevant Valuation Date or Averaging Date.

### 3. **Postponement of settlement**

Unless otherwise specified in the applicable Final Terms, if the Calculation Agent determines on the date which is not later than 3 Currency Business Days prior to any date on which the Final Redemption Amount, any Early Redemption Amount or any other redemption amounts would otherwise be due to be paid (each a "**Scheduled Settlement Date**") that a Settlement Postponement Event has occurred, then "*Calculation Agent Adjustment*" (as defined in Fund Basket-Linked Condition 5.5 below) shall apply as if a Fund Event had occurred in respect of which the Calculation Agent had delivered a Fund Event Notice to the Issuer on such date and the adjustments made by the Calculation Agent shall include the postponement of the obligation of the Issuer to pay the Final Redemption Amount, the Early Redemption Amount or any other redemption amounts, as applicable, until the Postponed Settlement Date and no interest or other amount shall be payable to Noteholders in respect of this postponement.

If the Postponed Settlement Date is the Postponed Settlement Long Stop Date, for the purposes of determining the Final Redemption Amount, the Early Redemption Amount or any other redemption amounts, as applicable, whether determined by reference to the Reference Price or otherwise, each Long Stop Date Fund Interest Unit (if any) comprising the Basket will be deemed to have a value equal to the redemption proceeds (if any) that a Hypothetical Investor which had submitted a Final Redemption Notice in respect of such Long Stop Date Fund Interest Unit would have received in respect of such redemption on or before the Postponed Settlement Long Stop Date.

For the purposes hereof:

- (a) a "**Settlement Postponement Event**" shall be deemed to occur if, as determined by the Calculation Agent, a Hypothetical Investor which had submitted a Final Redemption Notice in respect of each Fund Interest Unit comprised in the Basket would not have received in full the

redemption proceeds in respect of such redemptions on or before the date which is 4 Currency Business Days prior to the Scheduled Settlement Date;

- (b) the "**Postponed Settlement Date**" means, unless otherwise specified in the applicable Final Terms, whichever is the earlier of (x) the date which is 3 Currency Business Days after the date on which, as determined by the Calculation Agent, such Hypothetical Investor would have received such redemption proceeds in full and (y) the Postponed Settlement Long Stop Date;
- (c) the "**Postponed Settlement Long Stop Date**" means, unless otherwise specified in the applicable Final Terms, the date which is 3 months after the Scheduled Settlement Date;
- (d) "**Long Stop Date Fund Interest Unit**" means any Fund Interest Unit in respect of which, if a Hypothetical Investor had submitted a Final Redemption Notice in respect of such Fund Interest Unit, such Hypothetical Investor would not have received in full the redemption proceeds in respect of such redemption on or before the Postponed Settlement Long Stop Date;
- (e) a "**Final Redemption Notice**" means, in respect of a Fund Interest Unit, a valid redemption notice submitted on the last date permitted pursuant to the Fund Documents of the related Fund for a redemption notice that would be timely for redemption prior to the Scheduled Settlement Date (more specifically, as of the Scheduled Redemption Valuation Date for which the Scheduled Redemption Payment Date is the last Scheduled Redemption Payment Date prior to the Scheduled Settlement Date).

#### 4. **Disrupted Days**

##### *Consequences of Disrupted Days for Valuation Dates*

- 4.1.1 The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Issuer of the occurrence of a Disrupted Day on any day that, but for the occurrence or continuance of a Disrupted Day, would have been a Valuation Date.
- 4.1.2 If any Valuation Date is a Disrupted Day, then the Valuation Date for each Fund Interest not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date, and the Valuation Date for each Fund Interest affected by the occurrence of a Disrupted Day shall be the first succeeding day that is not a Disrupted Day relating to that Fund Interest, unless no day that is not a Disrupted Day has occurred prior to the last day of one Cut-off Period following the Scheduled Valuation Date. In that case, (i) the last day of such Cut-off Period shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine its good faith estimate of the value for that Fund Interest as of the Valuation Time on that deemed Valuation Date.
- 4.1.3 In addition, the Calculation Agent will account for such occurrence or continuance of a Disrupted Day as it sees fit which may include but is not limited to delaying calculation and payment of the Final Redemption Amount and/or any Early Redemption Amount and/or any other amounts due under the Notes, and no interest or other amount shall be payable to Noteholders in respect of any such delay, or making the appropriate adjustment to the calculation of the Final Redemption Amount and/or any Early Redemption Amount and/or any other amounts due under the Notes, all in the determination of the Calculation Agent.

##### *Consequences of Disrupted Days for Strike Dates*

If any Strike Date is a Disrupted Day, then the provisions set out in Fund Basket-Linked Condition 4.1 above shall apply as if such Strike Date was a Valuation Date.

##### *Consequences of Disrupted Days for Averaging Dates*

If Averaging Dates are specified in the applicable Final Terms with respect to a Valuation Date then, notwithstanding any other provisions of this Schedule, the following provisions will apply.

- 4.1.4 If any Averaging Date is a Disrupted Day, the Averaging Date for each Fund Interest not affected by the occurrence of a Disrupted Day shall be the date specified in the applicable Final Terms as that Averaging Date and the Averaging Date for any Fund Interest affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Fund Interest. If the first succeeding Valid Date has not occurred prior to one Cut-off Period following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (1) the last day of such Cut-off Period shall be deemed the Averaging Date (irrespective of whether such day is already an Averaging Date), and (2) the Calculation Agent shall determine its good faith estimate of the value for that Fund Interest as of the Valuation Time on that deemed Averaging Date.



- 4.1.5 **"Valid Date"** means a Currency Business Day that is not a Disrupted Day and on which another Averaging Date in respect of the relevant Valuation Date does not or is not deemed to occur.
- 4.1.6 In addition, the Calculation Agent will account for such occurrence or continuance of a Disrupted Day as it sees fit which may include but is not limited to delaying calculation and payment of the Final Redemption Amount and/or any Early Redemption Amount and/or any other amounts due under the Notes, and no interest or other amount shall be payable to Noteholders in respect of any such delay, or making the appropriate adjustment to the calculation of the Final Redemption Amount and/or any Early Redemption Amount and/or any other amounts due under the Notes, all in the determination of the Calculation Agent.

## 5. Fund Events

If at any time the Calculation Agent determines that a Fund Event has occurred and/or is continuing then the Calculation Agent shall provide written notice thereof to the Issuer (a **"Fund Event Notice"**) and, unless otherwise specified in the applicable Final Terms, *"Fund Interest Replacement"* (as described in Fund Basket-Linked Condition 5.4 below) shall apply as the consequence of that Fund Event unless the Calculation Agent determines that the application of *"Fund Interest Replacement"* is not appropriate or commercially reasonable, in which event *"Calculation Agent Adjustment"* (as described in Fund Basket-Linked Condition 5.5 below) shall apply as the consequence of that Fund Event.

The Calculation Agent shall not have any obligation to monitor the occurrence of a Fund Event nor shall it have any obligation to make a determination that a Fund Event has occurred or is continuing.

Unless otherwise specified in the applicable Final Terms, upon triggering any consequence for a Fund Event, the mechanics for determining and calculating the valuation of any Affected Fund Interest and any payments under the Notes shall be suspended until completion of, and may be superseded by, such consequence.

For the purpose of determining the consequence of a Fund Event:

- (a) **"Calculation Agent Adjustment"** means that the Calculation Agent shall (i) make such adjustment to account for such Fund Event as it considers appropriate which may include, without limitation, delaying the calculation and payment of the Final Redemption Amount and/or any Early Redemption Amount and/or any other amounts due under the Notes, and no interest or other amount shall be payable to Noteholders in respect of any such delay, or making an adjustment to the calculation of the Final Redemption Amount and/or any Early Redemption Amount and/or any other amounts due under the Notes, all in the determination of the Calculation Agent or (ii) if the Calculation Agent determines that no adjustment that it could make under (i) would produce a commercially reasonable result, *"Optional Redemption"* will be deemed to apply.
- (b) **"Fund Interest Replacement"** means that the Calculation Agent will substitute any Affected Fund Interest with the Successor Fund Interest relating to such Affected Fund Interest, provided that if no Successor Fund has been identified in the manner set forth below within 10 Currency Business Days of the Fund Event Notice, then *"Calculation Agent Adjustment"* will be deemed to apply. For the purposes hereof:
- (i) **"Successor Fund Interest"** means, in respect of any Affected Fund Interest, the related Eligible Fund Interest or, if the applicable Final Terms do not specify any Eligible Fund Interest relating to such Affected Fund Interest, then the Calculation Agent will use commercially reasonable efforts to identify a Successor Fund Interest based on the eligibility criteria specified in the applicable Final Terms or, if the applicable Final Terms do not specify any such eligibility criteria, with characteristics, investment objectives and policies similar to those in effect for the Affected Fund Interest immediately prior to the occurrence of the relevant Fund Event; and
- (ii) any substitution of the Successor Fund Interest for the Affected Fund Interest shall be effected at such time and in such manner as specified in the applicable Final Terms or, if the time and manner for substitution of the Successor Fund Interest is not specified in the applicable Final Terms, then the Affected Fund Interest shall be replaced by a number of Fund Interest Units of the Successor Fund Interest with a combined value (as determined by the Calculation Agent) equal to the relevant Removal Value of the applicable number of Fund Interest Units of the Affected Fund Interest. Such replacement shall be effected, from time to time whenever the Removal Value changes, on the date, as determined by the Calculation Agent, on which the Fund issuing the Successor Fund Interest would admit a Hypothetical Investor who, on the Fund Business Day next following the date on which any Removal Value not previously applied toward any Successor Fund Interest would be received by such Hypothetical Investor redeeming out of the relevant amount of Affected Fund Interest,

had submitted a valid order to purchase such amount of the Successor Fund Interest; and

- (iii) if necessary, the Calculation Agent will adjust any relevant terms, including, but not limited to adjustments to account for changes in volatility, investment strategy or liquidity relevant to the Fund Interests or the Notes.

- (c) **"Optional Redemption"** means that the Issuer shall redeem each Note at its Early Redemption Amount on such date as the Issuer may notify to Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be.

Notice of the consequences of a Fund Event shall be given to the Noteholders in accordance with Principal Condition 13 (*Notices*) or Principal Condition 12 (*Meetings of Holders and Modification*) as the case may be. Such notice shall (i) identify the Affected Fund Interest (if applicable) and the relevant Fund Event and contain a summary of the facts constituting such event, (ii) if applicable, identify the Successor Fund Interest and specify the effective date of such substitution, (iii) if applicable, specify adjustments made or expected to be made by the Calculation Agent and (iv) if applicable, specify the date on which the Notes are to be redeemed.

## 6. Potential Adjustment Events

Following the declaration by any Fund of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Interest Units or amount of Fund Interest and, if so, will (i) make the corresponding adjustment(s), if any, to any one or more of the Final Redemption Amount and/or any Early Redemption Amount and/or any other amounts payable under the Notes, the Reference Price, any Relevant Fund Interest Unit Price and, in any case, any other variable relevant to the calculation, valuation, payment or other terms of Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends or liquidity relative to the relevant Fund Interest) and (ii) determine the effective date(s) of the adjustment(s).

## 7. Corrections and Adjustments

With the exception of any Adjustments (as defined below) made after the day which is three Currency Business Days prior to a due date for any payment under the Notes calculated by reference to the price or level of any Fund Interest Unit, if the Calculation Agent determines that a Fund adjusts the Redemption Proceeds that would have been paid to a Hypothetical Investor redeeming the number of Fund Interest Units that are subject to valuation and such adjustment would be reflected in either an additional payment to such Hypothetical Investor or a claim for repayment of excess Redemption Proceeds made against such Hypothetical Investor (each an **"Adjustment"**), then the price or level to be used shall be the price or level of the relevant Fund Interest Units as so adjusted.

## 8. Exchange Traded Funds

If a Fund is specified in the applicable Final Terms to be an ETF, Schedule 3 or Schedule 4, as applicable, shall be deemed as far as practicable to apply to the Notes, subject as provided in the applicable Final Terms.

## 9. Knock-in Event and Knock-out Event

### *Knock-in Event*

- 9.1.1 If *"Knock-in Event"* is specified as applicable in the applicable Final Terms with respect to any payment under the Notes then, unless otherwise specified in such Final Terms, such payment shall be conditional upon the Knock-in Event having occurred.
- 9.1.2 **"Knock-in Event"** means (unless otherwise specified in the applicable Final Terms) that the amount for the Basket determined by the Calculation Agent as the sum of the values for each Fund Interest Unit comprising the Basket as the product of the Relevant Fund Interest Unit Price of such Fund Interest Unit and the relevant Number of Fund Interest Units comprised in the Basket in each case as of the Knock-in Valuation Time on any Knock-in Determination Day is, as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-in Price.
- 9.1.3 **"Knock-in Price"** means the level, price or amount specified as such in the applicable Final Terms.
- 9.1.4 **"Knock-in Reference Asset"** means the basket or interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest identified as such in the applicable Final Terms

specified as such in the applicable Final Terms. In the event that the applicable Final Terms do not specify a Knock-in Reference Asset, the Knock-in Reference Asset will be deemed to be the Basket.

- 9.1.5 **"Knock-in Determination Day"** means each day specified as such in the applicable Final Terms or, if no such days are specified, each Fund Business Day from and including the Issue Date to and including the final Valuation Date or, if there is no such Valuation Date, the date that is one Settlement Cycle prior to the Maturity Date, in each case unless such day is a Disrupted Day due to the occurrence of an event giving rise to a Disrupted Day prior to the Knock-in Valuation Time on such day. If any such day is a Disrupted Day due to the occurrence of such an event, then the Knock-in Determination Day shall be the first succeeding day that is not a Disrupted Day, unless each day of the Cut-off Period that starts on the original date that, but for the occurrence of a Disrupted Day, would have been the Knock-in Determination Day is a Disrupted Day. In that case, the last day of such Cut-off Period shall be deemed to be the Knock-in Determination Day, notwithstanding the fact that such day is a Disrupted Day, and the Calculation Agent shall determine the level, price or amount of the Knock-in Reference Asset in the same manner that it would determine a level, price or amount of a Fund Interest or basket on a deemed Valuation Date that is also a Disrupted Day in accordance with the provisions of Fund Basket-Linked Condition 4.1 above, as the case may be.
- 9.1.6 **"Knock-in Valuation Time"** means the time on any Knock-in Determination Day specified as such in the applicable Final Terms. In the event that the applicable Final Terms do not specify a Knock-in Valuation Time, the Knock-in Valuation Time shall be the Valuation Time specified in the applicable Final Terms, or if no Valuation Time is specified, the close of business in the Hypothetical Investor Jurisdiction.

#### *Knock-out Event*

- 9.1.7 If *"Knock-out Event"* is specified as applicable in the applicable Final Terms with respect to any payment under the Notes then, unless otherwise specified in such Final Terms, such payment shall be conditional upon the Knock-out Event not having occurred.
- 9.1.8 **"Knock-out Event"** means (unless otherwise specified in the applicable Final Terms) that the amount for the Basket determined by the Calculation Agent as the sum of the values for each Fund Interest Unit comprising the Basket as the product of the Relevant Fund Interest Unit Price of such Fund Interest Unit and the relevant Number of Fund Interest Units comprised in the Basket in each case as of the Knock-out Valuation Time on any Knock-out Determination Day is, as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Knock-out Price.
- 9.1.9 **"Knock-out Price"** means the level, price or amount specified as such in the applicable Final Terms.
- 9.1.10 **"Knock-out Reference Asset"** means the basket or interest issued to or held by an investor in a fund, pooled investment vehicle or any other interest identified as such in the applicable Final Terms specified as such in the applicable Final Terms. In the event that the applicable Final Terms do not specify a Knock-out Reference Asset, the Knock-out Reference Asset will be deemed to be the Basket.
- 9.1.11 **"Knock-out Determination Day"** means each day specified as such in the applicable Final Terms or, if no such days are specified, each Fund Business Day from and including the Issue Date to and including the final Valuation Date or, if there is no such Valuation Date, the date that is one Settlement Cycle prior to the Maturity Date, in each case unless such day is a Disrupted Day due to the occurrence of an event giving rise to a Disrupted Day prior to the Knock-out Valuation Time on such day. If any such day is a Disrupted Day due to the occurrence of such an event, then the Knock-out Determination Day shall be the first succeeding day that is not a Disrupted Day, unless each day of the Cut-off Period that starts on the original date that, but for the occurrence of a Disrupted Day, would have been the Knock-out Determination Day is a Disrupted Day. In that case, the last day of such Cut-off Period shall be deemed to be the Knock-out Determination Day, notwithstanding the fact that such day is a Disrupted Day, and the Calculation Agent shall determine the level, price or amount of the Knock-out Reference Asset in the same manner that it would determine a level, price or amount of a Fund Interest or basket on a deemed Valuation Date that is also a Disrupted Day in accordance with the provisions of Fund Basket-Linked Condition 4.1 above, as the case may be.
- 9.1.12 **"Knock-out Valuation Time"** means the time on any Knock-out Determination Day specified as such in the applicable Final Terms. In the event that the applicable Final Terms do not specify a Knock-out Valuation Time, the Knock-out Valuation Time shall be the Valuation Time specified in the applicable Final Terms, or if no Valuation Time is specified, the close of business in the Hypothetical Investor Jurisdiction.

## **10. Automatic Early Redemption**

### *Consequences of the occurrence of an Automatic Early Redemption Event*

If "Automatic Early Redemption Event" is specified as applicable in the applicable Final Terms, then unless previously redeemed or purchased and cancelled, if on any Automatic Early Redemption Valuation Date the Automatic Early Redemption Event occurs, then the Notes will be automatically redeemed in whole, but not in part, on the Automatic Early Redemption Date immediately following such Automatic Early Redemption Valuation Date and the Redemption Amount payable by the Issuer on such date upon redemption of each Note shall be an amount equal to the relevant Automatic Early Redemption Amount.

#### *Definitions*

**"Automatic Early Redemption Amount"** means (a) an amount in the Specified Currency (as specified in the applicable Final Terms) specified as such in the applicable Final Terms or, if such amount is not specified, (b) the product of (i) the denomination of each Note and (ii) the relevant Automatic Early Redemption Rate relating to that Automatic Early Redemption Date.

**"Automatic Early Redemption Date"** means each date specified as such in the applicable Final Terms or, if such date is not a Currency Business Day, the next following Currency Business Day.

**"Automatic Early Redemption Event"** means (unless otherwise specified in the applicable Final Terms) that the Basket Price is, as specified in the applicable Final Terms, (i) "greater than", (ii) "greater than or equal to", (iii) "less than" or (iv) "less than or equal to" the Automatic Early Redemption Price.

**"Automatic Early Redemption Price"** means the price per Basket specified as such or otherwise determined in the applicable Final Terms.

**"Automatic Early Redemption Rate"** means, in respect of any Automatic Early Redemption Date, the rate specified as such in the applicable Final Terms.

**"Automatic Early Redemption Valuation Date"** means each date specified as such in the applicable Final Terms or, if such date is not a Currency Business Day the next following Currency Business Day, subject to "Consequences of Disrupted Day(s)" set forth below.

**"Automatic Early Redemption Valuation Time"** means the time on any Automatic Early Redemption Valuation Date specified as such in the applicable Final Terms. In the event that the applicable Final Terms do not specify an Automatic Early Redemption Valuation Time, the Automatic Early Redemption Valuation Time shall be the Valuation Time specified in the applicable Final Terms, or if no Valuation Time is specified, the close of business in the Hypothetical Investor Jurisdiction.

**"Basket Price"** means, in respect of any Automatic Early Redemption Valuation Date, an amount for the Basket determined by the Calculation Agent as the sum of the values for each Fund Interest Unit comprising the Basket as the product of the Relevant Fund Interest Unit Price of such Fund Interest Unit and the relevant Number of Fund Interest Units comprised in the Basket in each case as of the Automatic Early Redemption Valuation Time on any Automatic Early Redemption Valuation Date

**"Scheduled Automatic Early Redemption Valuation Date"** means, in respect of any Fund Interest, the original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Automatic Early Redemption Valuation Date.

#### *Consequences of Disrupted Days*

If any Automatic Early Redemption Valuation Date is a Disrupted Day, then the provisions set out in Fund Basket-Linked Condition 4.1 above shall apply as if such Automatic Early Redemption Valuation Date was a Valuation Date.

## SCHEDULE 7: FIRST-TO-DEFAULT CREDIT-LINKED NOTES WITH PHYSICAL SETTLEMENT

The terms and conditions applicable to First-to-Default Credit-Linked Notes with physical settlement shall comprise the Conditions of the Euro Medium Term Notes set out above (the "**Principal Conditions**") and the additional terms and conditions set out below (the "**FTD Physical Conditions**") in each case subject to the applicable Final Terms. In the event of any inconsistency between (i) the Principal Conditions and the FTD Physical Conditions, the FTD Physical Conditions shall prevail. In the event of any inconsistency between (i) the Principal Conditions and/or the FTD Physical Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

If Credit-Linked Notes type 1 is shown as being applicable in the applicable Final Terms, then the FTD Physical Conditions will incorporate the notional credit default swap confirmation 1 mentioned below ("**CDS Confirmation 1**"). The relevant amounts, dates, terms and information of the CDS Confirmation 1 will be completed in the applicable Final Terms.

### CDS CONFIRMATION 1

The purpose of this confirmation and any schedules hereto (this "**Confirmation**") is to confirm the terms and conditions of the notional credit default swap deemed to be entered into between two notional counterparties ("**Seller**" and "**Buyer**") on the Trade Date specified below and is not an actual transaction (the "**Notional Credit Default Swap**") for the purposes of which the Issuer shall be deemed to be the buyer. One or more new notional credit default swaps (each a "**Notional Credit Default Swap**") will be deemed entered on the occurrence of a Succession Event or a Partial Exercise Event, as defined in this Confirmation. Each such Notional Credit Default Swap shall be governed by a separate Confirmation, and the terms of this Confirmation shall apply to each such Notional Credit Default Swap separately as set out herein.

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions as supplemented by the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions and as further supplemented, should at any time the Calculation Agent consider such to be applicable, by the Additional Provisions for Physically Settled Default Swaps – Monoline Insurer as Reference Entity, published on 21 January 2005 (the Monoline Supplement), (together, the "**Credit Derivatives Definitions**"), as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), are incorporated into this Confirmation. In the event of any inconsistency between the Credit Derivatives Definitions and this Confirmation, this Confirmation will govern.

The purpose of this Confirmation is to set out the mechanics under which:

- (i) it is determined that the Conditions to Settlement are satisfied with respect to any Notional Credit Default Swap and, if satisfied, whether such satisfaction of the Conditions to Settlement could lead to a Partial Exercise Event and the consequences thereof;
- (ii) the date on which the Conditions to Settlement are satisfied and the Event Determination Date with respect to any Notional Credit Default Swap is determined;
- (iii) the Deliverable Obligation(s) with respect to each Notional Credit Default Swap in respect of which the Conditions to Settlement are satisfied, are determined, and
- (iv) the occurrence of a Succession Event or Partial Exercise Event with respect to any Notional Credit Default Swap shall be determined, whereby:
  - (I) in the case of a Succession Event:
    - a. the aggregate of the Notional Amounts of all Notional Credit Default Swap(s) shall be equal to the Notional Amount of the relevant Notional Credit Default Swap to which such Succession Event relates,
    - b. the Reference Entities with respect to each Notional Credit Default Swap shall be determined in accordance with the provisions described in section 5 hereunder; and
    - c. the Notional Credit Default Swap to which the Succession Event relates shall cease to be in force; and,
  - (II) in the case of a Partial Exercise Event, the Notional Amount of the new Notional Credit Default Swap shall be equal to the Notional Amount of the relevant Notional Credit Default Swap to which such Partial Exercise Event relates less the Exercise Amount, and the original Notional Credit Default Swap shall remain in force.

### Notional credit default Swap

For the avoidance of doubt, each Notional Credit Default Swap which is deemed to be entered into in accordance with the terms of a Confirmation shall at all times be deemed to be a Notional Credit Default Swap in relation to the Notes.

The Settlement Terms shall apply solely to one Reference Entity, which shall be the first Reference Entity with respect to which an Event Determination Date occurs or, if an Event Determination Date occurs in respect of more than one Reference Entity on the same day, the Reference Entity in respect of which the Credit Event Notice and the Notice of Publicly Available Information was first delivered on such day (such entity, the "**Affected Reference Entity**"). This limitation shall apply to each Notional Credit Default Swap separately if more than one Notional Credit Default Swap arises pursuant to Sections 2.2 or 3.9 of the Credit Derivatives Definitions, as defined in this Confirmation.

Fortis Banque Luxembourg S.A. or any other agent(s) appointed from time to time as calculation agent in respect of the Notes, will act as Calculation Agent in respect of the Notional Credit Default Swap and will make any calculations or determinations, exercise any discretion or take any other action that would be required or permitted to be made or taken by the Calculation Agent pursuant to the relevant Notional Credit Default Swap, as if that Notional Credit Default Swap were actually in existence and any such determination or calculation that it makes, and any other action that it takes, each in accordance with the terms set out therein, shall be deemed to have been duly made or taken pursuant to the Notional Credit Default Swap.

For the avoidance of doubt, any calculations or determinations made, or any other action taken by the Calculation Agent in respect of the Notional Credit Default Swap shall be subject to Section 1.14 of the Credit Derivatives Definitions. Any requirement for the Calculation Agent to consult with any of the parties shall be deemed not to apply.

The terms of the original Notional Credit Default Swap are as follows:

## 1. General Terms:

Trade Date: [     ].

Effective Date: [     ].

Maturity Date: (a) if the Conditions to Settlement have not been satisfied with respect to any Notional Credit Default Swap, and subject to adjustment in accordance with the Business Day Convention, the Scheduled Maturity Date;

(b) If there is deemed to be more than one Notional Credit Default Swap and the Conditions to Settlement have been satisfied with respect to any, but not all, of such Notional Credit Default Swaps, the later of (i) the Scheduled Maturity Date and (ii) the latest Cash Settlement Date; or

(c) if the Conditions to Settlement have been satisfied with respect to all Notional Credit Default Swaps deemed to have been entered into, the last possible Cash Settlement Date relating thereto.

Scheduled Termination Date:	Scheduled Maturity Date under the Notes.
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Calculation Agent: Fortis Banque Luxembourg S.A.  
or any other agent(s) appointed  
from time to time.

Calculation Agent City:

Business Days for all purposes other than the calculation and payment of the Interest Amounts and Calculation Agent City Business Day:

Brussels.

In respect of a Reference Entity, the Business Days specified in the applicable Standard Terms (each such day being a "**Transaction Day**"). In the event that due to the application of the relevant Transaction Days, settlement would otherwise occur on a day that is not a Currency Day, such settlement shall occur in accordance with the terms of this Transaction on the first Currency Day to occur after such day.

Business Day Convention:

Following (which, subject to Sections 1.4 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:

The Reference Entities are composed of:

- (a) the following Reference Entities (which will be considered to be European Reference Entities):

[     ]

- (b) the following Reference Entities (which will be considered to be US Reference Entities):

[     ]

- (c) the following Reference Entities (which will be considered to be Asian Entities)

[     ]

- (d) the following Reference Entities (which will be considered to be Japanese Entities)

[     ]

- (e) the following Reference Entities (which will be considered to be Australian Entities)

[     ]

- (f) the following Reference Entities (which will be considered to be New Zealand Entities)

[     ]

- (g) the following Reference Entities (which will be considered to be Singapore Entities)

[     ]

- (h) the following Reference Entities (which will be considered to be Subordinated European

Insurance Entities)

[ ]

- (i) the following Reference Entities  
(which will be considered to be  
Latin American Entities)

[ ]

- (j) the following Reference Entities  
(which will be considered to be  
Asian Sovereigns Entities)

[ ]

- (k) the following Reference Entities  
(which will be considered to be  
European Emerging Markets and  
Middle Eastern Sovereigns  
Entities)

[ ]

- (l) the following Reference Entities  
(which will be considered to be  
Japanese Sovereigns Entities)

[ ]

- (m) the following Reference Entities  
(which will be considered to be  
Australian Sovereigns Entities)

[ ]

- (n) the following Reference Entities  
(which will be considered to be  
New Zealand Sovereigns  
Entities)

[ ]

- (o) the following Reference Entities  
(which will be considered to be  
Singapore Sovereigns Entities)

[ ]

- (p) the following Reference Entities  
(which will be considered to be  
Latin American Sovereigns  
Entities)

[ ]

- (q) the following Reference Entities  
(which will be considered to be  
Western European Sovereigns  
Entities)

[ ]

Each such European Reference  
Entity, US Reference Entity,  
Asian Reference Entity,  
Japanese Reference Entity,  
Australian Reference Entity, New  
Zealand Reference Entities,  
Singapore Reference Entity,  
Subordinated European  
Insurance Entity, Latin American



Entity, Asian Sovereigns Entities, European Emerging Markets and Middle Eastern Sovereigns Entities, Japanese Sovereigns Entities, Australian Sovereigns Entities, New Zealand Sovereigns Entities; Singapore Sovereigns Entities, Latin American Sovereigns Entities and Western European Sovereigns Entities, and, in each case, any Successor, shall be Reference Entities.

Each Reference Entity has been designated a particular "**Entity Type**" in Annex 1. References in this Confirmation to "**Standard Terms**" means in respect of a Reference Entity the corresponding standard terms specified for its Entity Type in the relevant Annex to Schedule B.

Reference Price:

[ ] per cent.

Reference Obligation(s):

The obligation(s) (if any) identified as such in respect of a Reference Entity in Annex 1. The parties agree that such obligation may be used as, *inter alia*, an Obligation or Deliverable Obligation in respect of the relevant Reference Entity notwithstanding that the Primary Obligor of such obligation may not be the same entity as the applicable Reference Entity.

Substitution

[Applicable] / [Not applicable].

All Guarantees:

In respect of a Reference Entity, "*Applicable*" or "*Not Applicable*" shall apply as specified in the applicable Standard Terms.`

Final Redemption Amount:

(a) if the Conditions to Settlement have not been satisfied with respect to any Notional Credit Default Swap, then the Final Redemption Amount for each Note will be equal to the Final Redemption Amount specified in the Final Terms divided by the number of Notes and rounding down the resultant figure to the nearest cent;

(b) if there is more than one Notional Credit Default Swap and if the Conditions to Settlement have been satisfied with respect to one or more of such Notional Credit Default Swaps but not all of them, then the Final Redemption Amount for each Note will be equal to (i) the sum of the Remaining Amount and the aggregate Credit Event

Redemption Amount for all Notional Credit Default Swaps in respect of which the Conditions to Settlement have been satisfied (ii) divided by the number of Notes, rounded down to the nearest cent; or

(c) if the Conditions to Settlement have been satisfied with respect to each Notional Credit Default Swap, then the Final Redemption Amount for each Note will be equal to the aggregate Credit Event Redemption Amount for all Notional Credit Default Swaps in respect of which the Conditions to Settlement have been satisfied divided by the number of Notes rounded down to the nearest cent.

**"Credit Event Redemption Amount"** means an amount calculated by the Calculation Agent on the Maturity Date in respect of each Notional Credit Default Swap in respect of which the Conditions to Settlement have been satisfied in accordance with the following formula:

$$A = B - C + D$$

where:

A means the Credit Event Redemption Amount;

B means the Notional Amount of the relevant Notional Credit Default Swap. The Principal Amount Outstanding will be calculated by the Calculation Agent based on the number of Notional Credit Default Swaps and the occurrence of any Event Determination Date;

C means the Cash Settlement Amount calculated in respect of the relevant Notional Credit Default Swap; and

D means the Accruals calculated in respect of the relevant Notional Credit Default Swap.

**"Cash Settlement Amount"** means an amount calculated on the Calculation Date by the Calculation Agent equal to the sum of (i) the aggregate of the Valuation Obligation Loss Amounts determined for each Valuation Obligation in the Valuation Portfolio, and (ii) the Unwind Amount (as defined

below).

Although a Cash Settlement Amount will be calculated, no party shall be obliged to make any payment or delivery in respect thereof. For the avoidance of doubt, the Cash Settlement Amount will be used for the purpose of calculating the amounts payable under the Notes. The Unwind Amount is equal to an amount as reasonably determined by the Calculation Agent in its sole discretion, on the Event Determination Date, to unwind a notional interest rate swap entered into between a Group Company or another counterparty and the Issuer on the Issue Date as set out in the applicable Final Terms.

**"Accruals"** means an amount of interest determined on the Maturity Date by the Calculation Agent in respect of the relevant Notional Credit Default Swap by multiplying the product of the Notional Amount of such Notional Credit Default Swap less the Cash Settlement Amount determined thereunder and the Accrual Interest Rate by the number of days in the period from, and excluding the Event Determination Date to, but including, the Maturity Date divided by 360.

The **"Accrual Interest Rate"** shall be calculated by the Calculation Agent as if ISDA Determination had been elected for the purposes of paragraph 18 above, where the Floating Rate Option was EUR-EONIA-OIS-COMPOUND, the Designated Maturity, the Calculation Period was the period from, and excluding, the relevant Event Determination Date to, but including, the Maturity Date and the Reset Date was the relevant Event Determination Date.

Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same:

Early redemption for taxation reasons does not apply.

The Issuer will not pay any additional amount in case of tax changes. In case of redemption on event of default, the Early Redemption Amount will be determined by the Calculation Agent. An amount shall be determined by the Calculation Agent (acting reasonably) on the Early Redemption Date to have the effect of preserving for the Noteholder the economic equivalent of the obligations of the Issuer under the Notes (including, but not limited to, taking into consideration the obligation of the Issuer to make payments of interest under the Notes and the costs to the Issuer of unwinding one or more contractual arrangements on the same terms as each Notional Credit Default Swap in a notional amount in aggregate equal to the aggregate notional amounts of the Notional Credit Default Swaps, the calculation of which shall take into account any outstanding Credit Event

Notices which have been duly served in accordance with any Notional Credit Default Swap prior to the close of business on the Business Day prior to the Early Redemption Date). This amount may be less than €1,000,000 per Specified Denomination.

For the purpose of this clause, the Calculation Agent shall act as an independent expert and not as an agent for the Noteholders. All determinations and calculations shall be made by the Calculation Agent at its sole discretion, in good faith, acting reasonably and on an arm's length basis.

All such calculations so made shall be final and binding (save in the case of manifest error) on the Issuer, the Agents and the Noteholders. The Calculation Agent shall have no liability in relation to the determinations or calculations provided herein, except in the case of wilful default or bad faith.

2. **Fixed Payments:**

Not Applicable.

3. **Floating Payments:**

Interest Period Dates/Interest Payment Dates:

- (a) if the Conditions to Settlement have not been satisfied with respect to the Notional Credit Default Swap (or have been satisfied with respect to none of the Notional Credit Default Swaps if there is more than one Notional Credit Default Swap due to a Succession Event); or
- (b) if there is more than one Notional Credit Default Swap due to a Succession Event or a Partial Exercise Event, and if the Conditions to Settlement have been satisfied with respect to some of those Notional Credit Default Swaps only but not all of them, then the Interest Period Date or Interest Payment Dates specified in the Final Terms and up to and including the Scheduled Termination Date, provided that, where the Conditions to Settlement have been satisfied with respect to any Notional Credit Default Swap deemed to have been entered into pursuant to the terms of the Conditions and the terms of the applicable Final Terms, the Event Determination Date under any such Notional Credit Default Swap will be an Interest Payment Date and there shall

be no further Interest Payment Dates with respect to each such Notional Credit Default Swap; or

- (c) if the Conditions to Settlement have been satisfied with respect to the Notional Credit Default Swap (or all Notional Credit Default Swaps if there is more than one Notional Credit Default Swap due to a Succession Event or a Partial Exercise Event), the Interest Period Date or Interest Payment Dates specified in the Final Terms and up to and including the Event Determination Date (or the latest Event Determination Date, if there is more than one Notional Credit Default Swap due to a Succession Event or a Partial Exercise Event).

**"Interest Calculation Amount"**

means, with respect to any Interest Period, the Remaining Amount as at the close of business on the second Business Day prior to the Interest Payment Date being the end of such Interest Period.

**"Remaining Amount"**

means, on any date, the sum of the Notional Amount of each Notional Credit Default Swap with respect to which the Conditions to Settlement have not been satisfied on or prior to such date.

Floating Rate Payer Calculation Amount:

With respect to any day, the Notional Amount (as adjusted from time to time in accordance with Section 2.2 and Section 3.9 of Credit Derivatives Definitions).

Notional Amount:

[ ] or any other amount pursuant to the application of the Successor Provisions or Partial Exercise Provisions defined in paragraph 5 and 6 of this Confirmation.

Exercise Amount:

Where an Event Determination Date occurs and Restructuring is the only Credit Event specified in the Credit Event Notice, the Exercise Amount shall mean the amount specified by the Notifying Party in accordance with Section 3.9 of the Credit Derivatives Definitions and the provisions contained in this Confirmation (the **"Partial Exercise Amount"**, as further defined in section 5 of this Confirmation).

With respect to (a) any Credit Event other than Restructuring or (b) any Credit Event in respect of any Reference Entity to which Section 3.9 of the Credit Derivatives Definitions shall not apply as stated in the applicable

Standard Terms, the Exercise Amount shall be equal to the Floating Rate Payer Calculation Amount (and not a portion thereof).

Conditions to Settlement:

Credit Event Notice

Notifying Party: The Buyer.

Notice of Physical Settlement.

Notice of Publicly Available Information Applicable.

The parties agree that the Settlement Terms shall apply in relation to the first Reference Entity in respect of which an Event Determination Date occurs (any such entity being the "**Affected Reference Entity**" as defined in the Preamble).

Credit Events:

In respect of a Reference Entity, the Credit Events specified in the applicable Standard Terms.

Obligation(s):

In respect of an Affected Reference Entity, the applicable Obligations thereof shall be determined in accordance with Section 2.14 of the Credit Derivatives Definitions on the basis of the Obligation Category and the Obligation Characteristic(s) specified in the applicable Standard Terms.

Excluded Obligation(s):

None.

#### 4. **Settlement Terms:**

Settlement Method:

Physical Settlement.

Settlement Currency:

[     ].

##### **Terms relating to Physical Settlement:**

Physical Settlement Amount:

The Floating Rate Payer Calculation Amount (after taking into account paragraph 6 of this Confirmation).

Physical Settlement Period:

The Physical Settlement Period identified in the applicable Standard Terms for the Affected Reference Entity.

Deliverable Obligations:

**"Exclude Accrued Interest"** or **"Include Accrued Interest"** shall apply as specified in the applicable Standard Terms for the Affected Reference Entity.

Deliverable Obligations:

In respect of an Affected Reference Entity, in accordance with Section 2.15 of the Credit Derivatives Definitions on the basis of the Deliverable Obligation Category and Deliverable Obligation Characteristic(s) specified in the applicable Standard Terms.

Excluded Deliverable Obligations:

Any obligations of a Reference Entity other than the Affected Reference Entity.

Loans:	Partial Cash Settlement of Consent Required	Not Applicable.
	Partial Cash Settlement of Assignable Loans:	Not Applicable.
	Partial Cash Settlement of Participations:	Not Applicable.
	Escrow:	Not Applicable.
	Delivery Limitation:	<p>The following provision shall apply to the Affected Reference Entity if Delivery Limitation is specified as "<i>Applicable</i>" in the applicable Standard Terms:</p> <p>"With respect to a Notional Credit Default Swap in respect of which the Conditions to Settlement have been satisfied, notwithstanding Section 1.7 or any provisions of Section 9.9 or Section 9.10 to the contrary, but without prejudice to Section 9.3 and (where applicable) Sections 9.4, 9.5 and 9.6 if the Termination Date has not occurred on or prior to the date that is 60 Business Days following the Physical Settlement Date, such 60<sup>th</sup> Business Day shall be deemed to be the Termination Date with respect to this Notional Credit Default Swap except in relation to any portion of the Notional Credit Default Swap (an "<b>Affected Portion</b>") in respect of which:</p> <p>(1) a valid notice of Buy-in Price has been delivered that is effective fewer than three Business Days prior to such 60<sup>th</sup> Business Day, in which case the Termination Date for that Affected Portion shall be the third Business Day following the date on which such notice is effective; or</p> <p>(2) Buyer has purchased but not Delivered Deliverable Obligations validly specified by Seller pursuant to Section 9.10(b), in which case the Termination Date for that Affected Portion shall be the tenth Business Day following the date on which Seller validly specified such Deliverable Obligations to Buyer.</p>

## 5. Successor Provisions:

	Succession Event	(1) Section 2.2(a) of the Credit Derivatives Definitions is amended as follows:
	Amendments to Section 2.2 of the Credit Derivatives Definitions:	<p>(a) the words "<i>for the entire Credit Derivative Transaction</i>" shall be deleted from Sections 2.2(a)(i) and 2.2(a)(ii) and replaced with the</p>

words "of the Reference Entity";

(b) the words "*New Credit Derivative Transaction*" shall be deleted from Sections 2.2(a)(iii) and 2.2(a)(iv) and replaced with the words "*new Notional Credit Default Swap*";

(c) the words "*Credit Derivative Transaction*" shall be deleted from Section 2.2(a)(v); and replaced with the words "*Notional Credit Default Swap*";

(2) Section 2.2(e)(i) of the Credit Derivatives Definitions is replaced in its entirety with the following:

*"each Successor will be a Reference Entity for the purposes of one of the Notional Credit Default Swap each, and each of the Reference Entities that is not a subject of the applicable Succession Event shall be a Reference Entity for the purposes of each and every one of the Notional Credit Default Swaps;"*

(3) Section 2.2(d) of the Credit Derivatives Definitions is replaced in its entirety with the following:

"(d) Where:

(i) a Reference Obligation has been specified with respect to a Reference Entity;

(ii) one or more Successors to the Reference Entity have been identified; and

(iii) any one or more Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined in accordance with the provisions of Section 2.30 with respect to each such Successor."



- (4) Section 2.2(e) shall be replaced in its entirety by the following:

"Where, pursuant to Section 2.2(a) above, one or more Successors have been identified in relation to a particular Reference Entity, the Notional Credit Default Swap to which such Succession Event relates shall be divided into the same number of Notional Credit Default Swaps as the number of Successors (each a new **"Notional Credit Default Swap"**). Each such Notional Credit Default Swap will include one of the Successors together with the other Reference Entities that were not subject to the Succession Event. The Notional Amount in respect thereof shall be equal to the Notional Amount of the Original Notional Credit Default Swap divided by the number of Successors. The Reference Entity Type of each Successor with respect to each new Notional Credit Default Swap shall be the same as the Reference Entity Type of the Reference Entity to which such Succession Event relates." All other terms and conditions of the original Notional Credit Default Swap will be replicated in each new Notional Credit Default Swap except to the extent that modification is required, as determined by the Calculation Agent, to preserve the economic effects of the original Notional Credit Default Swap in the new Notional Credit Default Swap (considered in aggregate).

Treatment of certain Succession Events

Where any Reference Entity (the **"Surviving Reference Entity"**) (other than the Reference Entity that is subject to the Succession Event) would be a Successor to any other Reference Entity (the **"Legacy Reference Entity"**) pursuant to a Succession Event through the application of Section 2.2(a) of the Credit Derivatives Definitions, and Substitution is not applicable pursuant to this Confirmation, such Surviving Reference Entity shall be deemed a Successor to the Legacy Reference Entity.

No duplication:

Where the effect of the Successor Provisions would be to specify a Reference Entity more than once with respect to a single Notional Credit Default Swap, that Reference Entity shall be deemed to be specified once

only for the purposes of that Notional Credit Default Swap.

6. **Partial Exercise Event Provisions:**

Partial Exercise Event

Section 3.9 of the Credit Derivatives Definitions shall not apply.

7. **Calculation Agent Merger:**

Calculation Agent Merger:

Section 2.31 of the Credit Derivatives Definitions shall apply to this Transaction, provided that each reference to 'Seller' in this Section shall be deemed to be a reference to the 'Calculation Agent'.

8. **Additional Provisions:**

- (a) "The reference in the third line of Section 3.3 to the "**Effective Date**" shall be deemed to be a reference to the Trade Date."
- (b) Section 1.12(a) (iii) of the Credit Derivatives Definitions is amended by replacing each reference to "*the Scheduled Termination Date*" by a reference to "the close of business on the third Business Day prior to the Scheduled Termination Date".

## ANNEX 1

Reference Entity:	Reference Obligation:	Entity Type:
_____	_____	_____
[Name]	Primary Obligor:[    ]	[European Corporate
	Guarantor:[    ]	North American Corporate
	Maturity: [    ]	Asian Corporate
	Coupon: [    ]	Japanese Corporate
	CUSIP/ISIN: [    ]	Australian Corporate
		New Zealand Corporate
		Singapore Corporate
		Subordinated European Insurance Corporate
		Emerging European Corporate LPN
		Emerging European Corporate
		Latin America Corporate B
		Latin America Corporate BL
		Asian Sovereigns
		European Emerging Markets and Middle Eastern Sovereigns
		Japanese Sovereigns
		Australian Sovereigns
		New Zealand Sovereigns
		Singapore Sovereigns
		Latin American Sovereigns
		Western European Sovereigns]

## **ANNEX 2**

### **STANDARD TERMS**

The standard terms relating to each Entity Type are set out in Schedule 10.

## SCHEDULE 8: FIRST-TO-DEFAULT CREDIT-LINKED NOTES WITH CASH SETTLEMENT

The terms and conditions applicable to First-to-Default Credit-Linked Notes with cash settlement shall comprise the Conditions of the Euro Medium Term Notes set out above (the "**Principal Conditions**") and the additional terms and conditions set out below (the "**FTD Cash Conditions**") in each case subject to the applicable Final Terms. In the event of any inconsistency between (i) the Principal Conditions and the FTD Cash Conditions, the FTD Cash Conditions shall prevail. In the event of any inconsistency between (i) the Principal Conditions and/or the FTD Cash Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

If Credit-Linked Notes type 2 is shown as being applicable in the applicable Final Terms, then the FTD Cash Conditions will incorporate of the notional credit default swap confirmation 2 mentioned below ("**CDS Confirmation 2**"). The relevant amounts, dates, terms and information of the CDS Confirmation 2 will be completed in the applicable Final Terms.

### CDS CONFIRMATION 2

The purpose of this confirmation and any schedules hereto (this "**Confirmation**") is to confirm the terms and conditions of a notional credit default swap deemed to be entered into between two notional counterparties ("**Seller**" and "**Buyer**") on the Trade Date specified below and is not an actual transaction (the "**Notional Credit Default Swap**") for the purposes of which the Issuer shall be deemed to be the Buyer. One or more new notional credit default swaps (each a "**Notional Credit Default Swap**") will be deemed entered on the occurrence of a Succession Event or a Partial Exercise Event, as defined in this Confirmation. Each such Notional Credit Default Swap shall be governed by a separate Confirmation, and the terms of this Confirmation shall apply to each such Notional Credit Default Swap separately as set out herein.

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions as supplemented by the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions and as further supplemented, should at any time the Calculation Agent consider such to be applicable, by the Additional Provisions for Physically Settled Default Swaps – Monoline Insurer as Reference Entity, published on 21 January 2005 (the "**Monoline Supplement**"), (together, the "**Credit Derivatives Definitions**"), as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), are incorporated into this Confirmation. In the event of any inconsistency between the Credit Derivatives Definitions and this Confirmation, this Confirmation will govern.

The purpose of this Confirmation is to set out the mechanics under which:

- (i) it is determined that the Conditions to Settlement are satisfied with respect to any Notional Credit Default Swap and, if satisfied, whether such satisfaction of the Conditions to Settlement could lead to a Partial Exercise Event and the consequences thereof;
- (ii) the date on which the Conditions to Settlement are satisfied and the Event Determination Date with respect to any Notional Credit Default Swap is determined;
- (iii) the Redemption Amount upon Default with respect to each Notional Credit Default Swap in respect of which the Conditions to Settlement are satisfied, is determined; and
- (iv) the occurrence of a Succession Event or Partial Exercise Event with respect to any Notional Credit Default Swap shall be determined, whereby:
  - (I) in the case of a Succession Event:
    - a. the aggregate of the Notional Amounts of all Notional Credit Default Swap(s) shall be equal to the Notional Amount of the relevant Notional Credit Default Swap to which such Succession Event relates,
    - b. the Reference Entities with respect to each Notional Credit Default Swap shall be determined in accordance with the provisions described in section 5 hereunder; and
    - c. the Notional Credit Default Swap to which the Succession Event relates shall cease to be in force; and,
  - (II) in the case of a Partial Exercise Event, the Notional Amount of the new Notional Credit Default Swap shall be equal to the Notional Amount of the relevant Notional Credit Default Swap to which such Partial Exercise Event relates less the Exercise Amount, and the original Notional Credit Default Swap shall remain in force.

### Notional Credit Default Swap

For the avoidance of doubt, each Notional Credit Default Swap which is deemed to be entered into in accordance with the terms of a Confirmation shall at all times be deemed to be a Notional Credit Default Swap in relation to the Notes.

The Settlement Terms shall apply solely to one Reference Entity, which shall be the first Reference Entity with respect to which an Event Determination Date occurs or, if an Event Determination Date occurs in respect of more than one Reference Entity on the same day, the Reference Entity in respect of which the Credit Event Notice and the Notice of Publicly Available Information was first delivered on such day (such entity, the "**Affected Reference Entity**"). This limitation shall apply to each Notional Credit Default Swap separately if more than one Notional Credit Default Swap arises pursuant to Sections 2.2 or 3.9 of the Credit Derivatives Definitions, as defined in this Confirmation.

Fortis Banque Luxembourg S.A., as calculation agent in respect of the Notes, will act as Calculation Agent in respect of the Notional Credit Default Swap and will make any calculations or determinations, exercise any discretion or take any other action that would be required or permitted to be made or taken by the Calculation Agent pursuant to the relevant Notional Credit Default Swap (including, without limitation to the generality of the foregoing, the selection of Valuation Obligations and the notification of such Valuation Obligations, each in accordance with the terms thereof) as if that Notional Credit Default Swap were actually in existence and any such determination or calculation that it makes, and any other action that it takes, each in accordance with the terms set out therein, shall be deemed to have been duly made or taken pursuant to the Notional Credit Default Swap.

For the avoidance of doubt, any calculations or determinations made, or any other action taken by the Calculation Agent in respect of the Notional Credit Default Swap shall be subject to Section 1.14 of the Credit Derivatives Definitions. Any requirement for the Calculation Agent to consult with any of the parties shall be deemed not to apply.

The terms of the original Notional Credit Default Swap are as follows:

## 1. General Terms:

Trade Date: [ ].

Effective Date: [ ].

Maturity Date: (a) if the Conditions to Settlement have not been satisfied with respect to any Notional Credit Default Swap, and subject to adjustment in accordance with the Business Day Convention, the Scheduled Maturity Date;

(b) If there is deemed to be more than one Notional Credit Default Swap and the Conditions to Settlement have been satisfied with respect to any, but not all, of such Notional Credit Default Swaps, the later of (i) the Scheduled Maturity Date and (ii) the latest Cash Settlement Date: or

(c) if the Conditions to Settlement have been satisfied with respect to all Notional Credit Default Swaps deemed to have been entered into, the last possible Cash Settlement Date relating thereto.

Scheduled Termination Date:	Scheduled Maturity Date under the Notes.
-----------------------------	--

Calculation Agent: Fortis Banque Luxembourg S.A.  
or any other agent(s) appointed from time to time.

Calculation Agent City: [ ].

Business Days for all purposes other than the calculation and payment of the Interest Amounts and Calculation Agent City Business Day:

In respect of a Reference Entity, the Business Days specified in the Applicable Standard Terms (each such day being a "**Transaction Day**").

For all other purposes and unless otherwise provided for herein, [ ] Settlement Day.

Business Day Convention:

Following (which, subject to Sections 1.4 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:

The Reference Entities are composed of:

(a) the following Reference Entities (which will be considered to be European Reference Entities):

[ ]

(b) the following Reference Entities (which will be considered to be US Reference Entities):

[ ]

(c) the following Reference Entities (which will be considered to be Asian Entities)

[ ]

(d) the following Reference Entities (which will be considered to be Japanese Entities)

[ ]

(e) the following Reference Entities (which will be considered to be Australian Entities)

[ ]

(f) the following Reference Entities (which will be considered to be New Zealand Entities)

[ ]

(g) the following Reference Entities (which will be considered to be Singapore Entities)

[ ]

(h) the following Reference Entities (which will be

considered to be  
Subordinated European  
Insurance Entities)

[ ]

- (i) the following Reference  
Entities (which will be  
considered to be Latin  
American Entities)

[ ]

- (j) the following Reference  
Entities (which will be  
considered to be Asian  
Sovereigns Entities)

[ ]

- (k) the following Reference  
Entities (which will be  
considered to be European  
Emerging Markets and Middle  
Eastern Sovereigns Entities)

[ ]

- (l) the following Reference  
Entities (which will be  
considered to be Japanese  
Sovereigns Entities)

[ ]

- (m) the following Reference  
Entities (which will be  
considered to be Australian  
Sovereigns Entities)

[ ]

- (n) the following Reference  
Entities (which will be  
considered to be New  
Zealand Sovereigns Entities)

[ ]

- (o) the following Reference  
Entities (which will be  
considered to be Singapore  
Sovereigns Entities)

[ ]

- (p) the following Reference  
Entities (which will be  
considered to be Latin  
American Sovereigns Entities)

[ ]

- (q) the following Reference  
Entities (which will be  
considered to be Western  
European Sovereigns  
Entities)

[ ]



Each such European Reference Entity, US Reference Entity, Asian Reference Entity, Japanese Reference Entity, Australian Reference Entity, New Zealand Reference Entities, Singapore Reference Entity, Subordinated European Insurance Entity, Latin American Entity, Asian Sovereigns Entities, European Emerging Markets and Middle Eastern Sovereigns Entities, Japanese Sovereigns Entities, Australian Sovereigns Entities, New Zealand Sovereigns Entities; Singapore Sovereigns Entities, Latin American Sovereigns Entities and Western European Sovereigns Entities, and, in each case, any Successor, shall be Reference Entities.

Each Reference Entity has been designated a particular "**Entity Type**" in Annex 1. References in this Confirmation to "**Standard Terms**" means in respect of a Reference Entity the corresponding standard terms specified for its Entity Type in the relevant Annex to Schedule B.

Reference Price: [ ] per cent.

Reference Obligation(s): The obligation(s) if any identified as such in respect of a Reference Entity in Annex 1. The parties agree that such obligation may be used as, *inter alia*, an Obligation or Valuation Obligation in respect of the relevant Reference Entity notwithstanding that the Primary Obligor of such obligation may not be the same entity as the applicable Reference Entity.

Substitution: [Applicable] / [Not applicable].

All Guarantees: In respect of a Reference Entity, "*Applicable*" or "*Not Applicable*" shall apply as specified in the applicable Standard Terms.

Final Redemption Amount: (a) if the Conditions to Settlement have not been satisfied with respect to any Notional Credit Default Swap, then the Final Redemption Amount for each Note will be equal to the Final Redemption Amount specified in the Final Terms divided by the number of Notes and rounding down the resultant figure to the nearest cent;

- (b) if there is more than one Notional Credit Default Swap and if the Conditions to Settlement have been satisfied with respect to one or more of such Notional Credit Default Swaps but not all of them, then the Final Redemption Amount for each Note will be equal to (i) the sum of the Remaining Amount and the aggregate Credit Event Redemption Amount for all Notional Credit Default Swaps in respect of which the Conditions to Settlement have been satisfied (ii) divided by the number of Notes, rounded down to the nearest cent; or
- (c) if the Conditions to Settlement have been satisfied with respect to each Notional Credit Default Swap, then the Final Redemption Amount for each Note will be equal to the aggregate Credit Event Redemption Amount for all Notional Credit Default Swaps in respect of which the Conditions to Settlement have been satisfied divided by the number of Notes rounded down to the nearest cent.

**"Credit Event Redemption Amount"** means an amount calculated by the Calculation Agent on the Maturity Date in respect of each Notional Credit Default Swap in respect of which the Conditions to Settlement have been satisfied in accordance with the following formula:

$$A = B - C + D$$

where:

A means the Credit Event Redemption Amount;

B means the Notional Amount of the relevant Notional Credit Default Swap. The Principal Amount Outstanding will be calculated by the Calculation Agent based on the number of Notional Credit Default Swaps and the occurrence of any Event Determination Date;

C means the Cash Settlement Amount calculated in respect of the relevant Notional Credit Default Swap; and

D means the Accruals calculated in respect of the relevant Notional Credit Default Swap.

**"Cash Settlement Amount"** means an amount calculated on the Calculation Date by the Calculation Agent equal to the sum of (i) the aggregate of the Valuation Obligation Loss Amounts determined for each Valuation Obligation in the Valuation Portfolio, and (ii) the

Unwind Amount (as defined below).

Although a Cash Settlement Amount will be calculated, no party shall be obliged to make any payment or delivery in respect thereof. For the avoidance of doubt, the Cash Settlement Amount will be used for the purpose of calculating the amounts payable under the Notes. The Unwind Amount is equal to an amount as reasonably determined by the Calculation Agent in its sole discretion, on the Event Determination Date, to unwind a notional interest rate swap entered into between a Group Company or another counterparty and the Issuer on the Issue Date as set out in the applicable Final Terms.

**"Accruals"** means an amount of interest determined on the Maturity Date by the Calculation Agent in respect of the relevant Notional Credit Default Swap by multiplying the product of the Notional Amount of such Notional Credit Default Swap less the Cash Settlement Amount determined thereunder and the Accrual Interest Rate by the number of days in the period from, and excluding the Event Determination Date to, but including, the Maturity Date divided by 360.

The **"Accrual Interest Rate"** shall be calculated by the Calculation Agent as if ISDA Determination had been elected for the purposes of paragraph 18 above, where the Floating Rate Option was EUR-EONIA-OIS-COMPOUND, the Designated Maturity, the Calculation Period was the period from, and excluding, the relevant Event Determination Date to, but including, the Maturity Date and the Reset Date was the relevant Event Determination Date.

Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same:

Early redemption for taxation reasons does not apply.

The Issuer will not pay any additional amount in case of tax changes. In case of redemption on event of default, the Early Redemption Amount will be determined by the Calculation Agent. An amount shall be determined by the Calculation Agent (acting reasonably) on the Early Redemption Date to have the effect of preserving for the Noteholder the economic equivalent of the obligations of the Issuer under the Notes (including, but not limited to, taking into consideration the obligation of the Issuer to make payments of interest under the Notes and the costs to the Issuer of unwinding one or more contractual arrangements on the same terms as each Notional Credit Default Swap in a notional amount in aggregate equal to the aggregate notional amounts of the Notional Credit Default Swaps, the calculation of which shall take into account any outstanding Credit Event

Notices which have been duly served in accordance with any Notional Credit Default Swap prior to the close of business on the Business Day prior to the Early Redemption Date). This amount may be less than €1,000,000 per Specified Denomination.

For the purpose of this clause, the Calculation Agent shall act as an independent expert and not as an agent for the Noteholders. All determinations and calculations shall be made by the Calculation Agent at its sole discretion, in good faith, acting reasonably and on an arm's length basis.

All such calculations so made shall be final and binding (save in the case of manifest error) on the Issuer, the Agents and the Noteholders. The Calculation Agent shall have no liability in relation to the determinations or calculations provided herein, except in the case of wilful default or bad faith.

2. **Fixed Payments:**

Not Applicable.

3. **Floating Payments:**

- |   |   |
|---|---|
| Interest Period Dates/Interest Payment Dates: | <p>(a) if the Conditions to Settlement have not been satisfied with respect to the Notional Credit Default Swap (or have been satisfied with respect to none of the Notional Credit Default Swaps if there is more than one Notional Credit Default Swap due to a Succession Event); or</p> <p>(b) if there is more than one Notional Credit Default Swap due to a Succession Event or a Partial Exercise Event, and if the Conditions to Settlement have been satisfied with respect to some of those Notional Credit Default Swaps only but not all of them, then the Interest Period Dates or Interest Payment Dates specified in the Final Terms and up to and including the Scheduled Termination Date, provided that, where the Conditions to Settlement have been satisfied with respect to any Notional Credit Default Swap deemed to have been entered into pursuant to the terms of the Part 4(a) of the Conditions and the terms of the item 35(ii) of the applicable Final Terms, the Event</p> |
|---|---|

Determination Date under any such Notional Credit Default Swap will be an Interest Payment Date and there shall be no further Interest Payment Dates with respect to each such Notional Credit Default Swap; or

- (c) if the Conditions to Settlement have been satisfied with respect to the Notional Credit Default Swap (or all Notional Credit Default Swaps if there is more than one Notional Credit Default Swap due to a Succession Event or a Partial Exercise Event), the Interest Period Dates or Interest Payment Dates specified in the Final Terms and up to and including the Event Determination Date (or the latest Event Determination Date, if there is more than one Notional Credit Default Swap due to a Succession Event or a Partial Exercise Event). "Interest Calculation Amount" means, with respect to any Interest Period, the Remaining Amount as at the close of business on the second Business Day prior to the Interest Payment Date being the end of such Interest Period. "Remaining Amount" means, on any date, the sum of the Notional Amount of each Notional Credit Default Swap with respect to which the Conditions to Settlement have not been satisfied on or prior to such date.

Floating Rate Payer Calculation Amount:

With respect to any day, the Notional Amount (as adjusted from time to time in accordance with Section 2.2 and Section 3.9 of Credit Derivatives Definitions).

Notional Amount:

[ ] or any other amount pursuant to the application of the Successor Provisions or Partial Exercise Provisions defined in FTD Cash Condition 5 and 6 of this Confirmation.

Exercise Amount

Where an Event Determination Date occurs and Restructuring is the only Credit Event specified in the Credit Event Notice, the Exercise Amount shall mean the amount specified by the Notifying Party in accordance with Section 3.9

of the Credit Derivatives Definitions and the provisions contained in this Confirmation (the "**Partial Exercise Amount**", as further defined in section 6 of this Confirmation).

With respect to (a) any Credit Event other than Restructuring or (b) any Credit Event in respect of any Reference Entity to which Section 3.9 of the Credit Derivatives Definitions shall not apply as stated in the applicable Standard Terms, the Exercise Amount shall be equal to the Floating Rate Payer Calculation Amount (and not a portion thereof).

Conditions to Settlement:

Credit Event Notice

Notifying Party: The Buyer.

Notice of Publicly Available Information: Applicable.

The parties agree that the Settlement Terms shall apply in relation to the first Reference Entity in respect of which an Event Determination Date occurs (any such entity being the "**Affected Reference Entity**" as defined in the Preamble).

Credit Events:

In respect of a Reference Entity, the Credit Events specified in the applicable Standard Terms.

Obligation(s):

In respect of an Affected Reference Entity, the applicable obligations thereof shall be determined in accordance with Section 2.14 of the Credit Derivatives Definitions on the basis of the Obligation Category and the Obligation Characteristic(s) specified in the applicable Standard Terms.

Excluded Obligation(s):

None.

#### 4. **Settlement Terms:**

Settlement Method:

Cash Settlement.

Settlement Currency:

[     ].

##### **Terms relating to Cash Settlement:**

Event Determination Date

With respect to a Reference Entity, any date on which the Conditions to Settlement are satisfied.

Notice Delivery Period

Section 1.9 of the Credit Derivatives Definitions shall be deleted and replaced by the following:

**"Notice Delivery Period"** means the period from and including the Effective Date to and including the Scheduled Termination Date."

Valuation Business Day:	A day on which commercial banks and foreign exchange markets are generally open to settle payments in [ ] is open for business.
Cash Settlement Amount:	Means an amount calculated on the Calculation Date by the Calculation Agent equal to the aggregate of the Valuation Obligation Loss Amounts determined for each Valuation Obligation in the Valuation Portfolio. Although a Cash Settlement Amount will be calculated, no party shall be obliged to make any payment or delivery in respect thereof. For the avoidance of doubt, the Cash Settlement Amount will be used for the purpose of calculating the amounts payable under the Notes.
Cash Settlement Date:	3 Business Days after the Calculation Date.
Valuation Date:	<p>Multiple Valuation Dates: the First Valuation Date shall be the 60<sup>th</sup> Valuation Business Day following the Event Determination Date. Thereafter, there shall be two further Valuation Dates, each commencing on the 5<sup>th</sup> Valuation Business Day immediately following a quotation being obtained or be deemed to be obtained in respect of the immediately preceding Valuation Date.</p> <p>In respect of any Valuation Date, on or about 11.00 a.m. in the Quotation City applicable to the relevant Valuation Obligation, except that, if such Valuation Time is earlier than 9 am (Brussels time), it shall be postponed to 9 am Brussels time and if such Valuation Time is later than 4 pm (Brussels time), it shall be advanced to 4 pm (Brussels time).</p>
Quotation City:	Means the city as reasonably determined by the Calculation Agent as being the city where the principal trading market is located for the relevant Valuation Obligations which form part of the Valuation Portfolio. For the avoidance of doubt, the Quotation City need not be the city located in the country of incorporation of the Reference Entity. The Calculation Agent will notify the Buyer and the Seller of the Quotation City five Valuation Business Days prior to the first Valuation Date.
Quotation Method:	Bid
Determination of Quotations:	<p>Section 7.7 (a) and (b) of the Credit Derivatives Definitions shall be deleted and replaced with the following:</p> <p>"(a) The Calculation Agent shall attempt to obtain Full</p>

Quotations with respect to each Valuation Date from five or more Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Valuation Business Day within three Valuation Business Days of a Valuation Date, the Calculation Agent shall attempt to obtain Full Quotations from five Dealers up to, and including, the earlier of the tenth Valuation Business Day following the relevant Valuation Date and the Valuation Business Day on which a Full Quotation and a Weighted Average Quotation or two Full Quotations were obtained on such Valuation Business Day.

- (b) If the Calculation Agent is unable to obtain (i) at least two Full Quotations or (ii) one or more Full Quotation and a Weighted Average Quotations on the same Valuation Business Day on or prior to the tenth Valuation Business Day following the applicable Valuation Date, then the Calculation Agent shall attempt to obtain at least one Full Quotation, a Weighted Average Quotation or a Partial Weighted Average Quotation from the eleventh Valuation Business Day following the relevant Valuation Date to, and including, the earlier of the fifteenth Valuation Business Day following the relevant Valuation Date and Valuation Business Day on which it obtains such a Full Quotation, Weighted Average Quotation or Partial Weighted Average Quotation.

If the Calculation Agent is unable to obtain on the same Valuation Business Day at least one Full Quotation, a Weighted Average Quotation or a Partial Weighted Average Quotation by the fifteenth Valuation Business Day following the relevant Valuation Date, the Calculation Agent will exercise its reasonable discretion into determining a Quotation which shall apply to such Valuation Date, acting in good faith and in a commercially reasonable manner.

If, on or prior to the tenth Valuation Business Day following the applicable Valuation Date, the Calculation Agent obtains on the



same Valuation Business Day, at least two Full Quotations, or one or more Full Quotation and a Weighted Average Quotations, such Full Quotations or such Full Quotations and such Weighted Average Quotation shall be considered as Quotations.

If, after the tenth Valuation Business Day following the applicable Valuation Date, but on or prior to the fifteenth Valuation Business Day following the applicable Valuation Date, the Calculation Agent obtains at least one Full Quotation or a Weighted Average Quotation or a Partial Weighted Average Quotation, such Full Quotations or such Weighted Average Quotation or such Partial Weighted Average Quotation shall be considered as a Quotation.

Quotations:

Exclude Accrued Interest

Dealers:

Notwithstanding anything to the contrary in the Credit Derivatives Definitions, each Dealer shall be a dealer, or a principal affiliate thereof, in obligations of the type of the Valuation Obligations of the relevant Reference Entity, as identified by its Identification Number and its legal name, or in single name credit derivative transactions referencing the relevant Reference Entity, as identified by its Identification Number and its legal name, selected by the Calculation Agent from the following list, together with any additional dealers or principal affiliates thereof that the parties may from time to time agree in relation to a particular Valuation Obligation:

ABN AMRO Bank N.V.

Barclays Bank PLC

BNP PARIBAS

CALYON

Citigroup Global Markets  
Limited

Coöperatieve Centrale Raiffeisen-  
Boerenleenbank B.A. (Rabobank  
International)

Deutsche Bank AG, London Branch

Fortis Bank (Nederland) N.V.,  
operating under the trade name  
MeesPierson

Goldman Sachs International

HSBC Bank plc

ING Bank N.V.

J.P. Morgan Securities Ltd.

Merrill Lynch International

Morgan Stanley & Co. International  
plc

Royal Bank of Canada Europe  
Limited

Société Générale

The Royal Bank of Scotland plc

UBS Limited

provided that if one of the Dealers from the above list ceases or has ceased to exist or ceases to be an active Dealer in obligations of the type for which Quotations are to be obtained or a bankruptcy occurs with respect to any Dealer then the Calculation Agent shall select a substitute Dealer (who is a dealer in obligations of the type for which Quotations are to be obtained) and notify the Buyer and the Seller of such selection. A substitute Dealer must meet the requirements set out in the first sentence of the definition of "Dealer" set out in Section 7.15 of the Credit Derivatives Definitions and shall not be an Affiliate of the Buyer. A Dealer selected by the Calculation Agent from the list above shall not be affiliated with any other Dealer selected by the Calculation Agent from the list above. The above list is not exhaustive and may be amended in the applicable Final Terms.

The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional Dealers, which appointment may be for a specific issue or on an ongoing basis.

Quotation Amount:

With respect to any Valuation Obligation, one third of the related Valuation Obligation Balance, rounded up to the nearest denomination of the relevant Valuation Obligation.

Calculation Date:

Means, the Valuation Business Day on which the last Final Price is determined in respect of all Valuation Obligation(s) in the Valuation Portfolio.

Valuation Obligation Loss Amount:

means, with respect to a Valuation Obligation in respect of which a Final Price has been calculated, the greater of:

1. (100 per cent. – Final Price)  
multiplied by the relevant

Valuation Obligation Balance (converted if necessary to Euro using the exchange rate determined on the last Notification Date by the Calculation Agent acting in good faith and in a commercially reasonable manner); and

2. zero

Final Price:

With respect to each Valuation Obligation in the Valuation Portfolio, the price of such Valuation Obligation, expressed as a percentage, determined in accordance with the specified Valuation Method.

Notwithstanding the foregoing, upon the occurrence of a Public Auction Event with respect to the relevant Reference Entity, the Final Price of such Valuation Obligation will be equal to the Public Auction Final Price determined in relation to the relevant Reference Entity and there will be no requirement on the Calculation Agent to obtain a Final Price in accordance with the Valuation Method unless the Public Auction process results in more than one recovery rate in respect of the affected Reference Entity being determined in accordance with the terms of the Public Auction, whereupon the Final Price will be calculated in accordance with the Valuation Method with the first Valuation Date falling on the later of the fifth Valuation Business Day following the date on which the Calculation Agent determines that the Public Auction has resulted in more than one such recovery rate and the 60th Valuation Business Day following the Conditions to Settlement being satisfied in respect of the affected Reference Entity.

Public Auction Event:

Means, in relation to any Valuation Obligation, notification from the Buyer to the Seller on or before the fifth Business Day immediately prior to the first Valuation Date that a Public Auction has, or will be, held to determine Public Auction Final Price in respect of such Valuation Obligation.

Public Auction Final Price:

Means the recovery rate determined in respect of a Reference Entity pursuant to a Public Auction, expressed as a percentage.

Public Auction:

Means the procedure by which the recovery rate of a Reference Entity which is the subject of a Credit Event is determined in the

market pursuant to an auction process organised under a protocol or other similar document published by ISDA, any successor thereto, or any other entity which is capable of adherence by participants in the credit derivatives market generally.

Valuation Portfolio:

Means a portfolio of one or more Valuation Obligations in respect of which the sum of the related Valuation Obligation Balances (converted if necessary from EUR to the relevant currency using the exchange rate determined on the last Notification Date by the Calculation Agent acting in good faith and in a commercially reasonable manner) is equal to the Floating Rate Payer Calculation and selected by the Buyer on or before the day that falls 5 Valuation Business Days prior to the first Valuation Date (the date on which such notification occurs, the "**Notification Date**"). The Buyer may amend the Valuation Portfolio at any point up to, and including, the fifth Valuation Business Day prior to the first Valuation Date. The date on which such notice is effective should also be a Notification Date.

Valuation Obligation Balance:

Means, with respect to a Valuation Obligation, an amount in the currency of denomination of that Valuation Obligation (the "**Valuation Obligation Currency**") specified as such by the Calculation Agent to the Noteholders on the Notification Date (determined by the Calculation Agent on the Notification Date acting in good faith and in a commercially reasonable manner).

Valuation Method:

Average Highest

Weighted Average Quotation:

Means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Valuation Obligation with an outstanding balance of as large a size as available but less than the Quotation Amount that in the aggregate are equal to or greater than the Quotation Amount.

Partial Weighted Average Quotation:

Means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Valuation Obligation of as large a size as available but with an outstanding principal balance less than the Quotation Amount. If the sum of outstanding principal balance (as the

case may be) with respect to which such quotations are obtained is less than the Quotation Amount, then the quotations with respect to such shortfall shall be deemed to be a firm quotation of zero.

#### Valuation Obligations:

In respect of an Affected Reference Entity, the valuation obligation determined in accordance with Section 2.15 of the Credit Derivatives Definitions on the basis of the Valuation Obligation Category and Valuation Obligation Characteristics specified in the applicable Standard Terms.

### 5. Successor Provisions:

#### Succession Event

(1) Section 2.2(a) of the Credit Derivatives Definitions is amended as follows

#### Amendments to Section 2.2 of the Credit Derivatives Definitions:

- (a) the words "*for the entire Credit Derivative Transaction*" shall be deleted from Sections 2.2(a)(i) and 2.2(a)(ii) and replaced with the words "*of the Reference Entity*";
- (b) the words "*New Credit Derivative Transaction*" shall be deleted from Sections 2.2(a)(iii) and 2.2(a)(iv) and replaced with the words "*new Notional Credit Default Swap*";
- (c) the words "*Credit Derivative Transaction*" shall be deleted from Section 2.2(a)(v); and replaced with the words "*Notional Credit Default Swap*";

(2) Section 2.2(d) of the Credit Derivatives Definitions is replaced in its entirety with the following:

"(d) Where:

- (i) a Reference Obligation has been specified with respect to a Reference Entity;
- (ii) one or more Successors to the Reference Entity have been identified; and
- (iii) any one or more Successors have not assumed the Reference

Obligation,

a Substitute Reference Obligation will be determined in accordance with the provisions of Section 2.30 with respect to each such Successor.

- (3) Section 2.2(e) shall be replaced in its entirety by the following:

"Where, pursuant to Section 2.2(a) above, more than one Successor has been identified in relation to a particular Reference Entity, the Notional Credit Default Swap to which such Succession Event relates shall be divided into the same number of Notional Credit Default Swaps as the number of Successors (each a **"new Notional Credit Default Swap"**). Each such new Notional Credit Default Swap will include one of the Successors together with all the other Reference Entities that were not subject to the Succession Event. The Notional Amount in respect thereof shall be equal to the Notional Amount of the Original Notional Credit Default Swap divided by the number of Successors. The Reference Entity Type of each Successor with respect to each new Notional Credit Default Swap shall be the same as the Reference Entity Type of the Reference Entity to which such Succession Event relates." All other terms and conditions of the original Notional Credit Default Swap will be replicated in each new Notional Credit Default Swap except to the extent that modification is required, as determined by the Calculation Agent, to preserve the economic effects of the original Notional Credit Default Swap in the new Notional Credit Default Swap (considered in aggregate).

Treatment of certain Succession Events

Where any Reference Entity (the **"Surviving Reference Entity"**) (other than the Reference Entity that is subject to the Succession Event) would be a Successor to any other Reference Entity (the **"Legacy Reference Entity"**) pursuant to a Succession Event through the application of Section 2.2(a) of the Credit Derivatives Definitions, and

Substitution is not applicable pursuant to this Confirmation, such Surviving Reference Entity shall be deemed a Successor to the Legacy Reference Entity.

No duplication:

Where the effect of the Successor Provisions would be to specify a Reference Entity more than once with respect to a single Notional Credit Default Swap, that Reference Entity shall be deemed to be specified once only for the purposes of that Notional Credit Default Swap.

6. **Partial Exercise Event:**

Partial Exercise Event:

Section 3.9 of the Credit Derivatives Definitions shall not apply.

7. **Calculation Agent Merger:**

Calculation Agent Merger:

Section 2.31 of the Credit Derivatives Definitions shall apply to this Transaction, provided that each reference to "Seller" in this Section shall be deemed to be a reference to the "Calculation Agent".

8. **Additional Provisions:**

The following amendments shall be made to the Credit Derivatives Definitions:

1. The terms "**Valuation Obligations**", "**Valuation Obligation Characteristics**" and "**Valuation Obligation Category**" shall have the same meaning given to "**Deliverable Obligations**", "**Deliverable Obligation Characteristics**" and "**Deliverable Obligation Category**" in the Credit Derivatives Definitions (including, without limitation, Sections 2.19, 2.20 and 2.21).
2. Where applicable:
  - (a) any references to a "**Delivery**" shall be disregarded for the purposes of the Credit Default Swap Agreement;
  - (b) each reference in the Credit Derivatives Definitions to a "**Delivery Date**" shall be deemed to be a reference to the date of selection of the relevant Valuation Obligation, except that the words the "**Delivery Date**" or applicable "**Valuation Date**", as the case may be shall be replaced in the two places where they appear in Section 8.7(b)(i) with the words "**the applicable Valuation Date**"; and
  - (c) each reference in the Credit Derivatives Definitions to "**Physical Settlement Date**" shall be deemed to be a reference to the date of selection of the relevant Valuation Obligation.
3. Section 2.32 of the Credit Derivatives Definitions shall be amended by:
  - (a) deleting Section 2.32(a) in its entirety and replacing it by the following:

"If "**Restructuring Maturity Limitation and Fully Transferable Obligation Applicable**" are specified in a Confirmation and Restructuring is the only Credit Event specified in a Credit Event Notice delivered by the Buyer, then a Valuation Obligation may only be specified if it (1) is a Fully Transferable Obligation and (2) has a final maturity date not later than the applicable Restructuring Maturity Limitation Date.";
  - (b) deleting the second paragraph of Section 2.32(b) and adding the following:

"For the purposes of the determining whether a Valuation Obligation is Transferable or is capable of being assigned or novated to Eligible Transferees, such determination shall be made as of the first Valuation Date,

taking into account only the terms of the Valuation Obligation and any related transfer or consent documents which have been obtained by the Buyer."

4. Section 2.33 of the Credit Derivatives Definitions shall be amended as follows:
  - (a) Section 2.33(a) shall be deleted in its entirety and replaced by the following:

"If "*Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable*" are specified in a Confirmation and Restructuring is the only Credit Event specified in a Credit Event Notice delivered by the Credit Default Swap Counterparty, then a Valuation Obligation may only be specified 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.";
  - (b) Section 2.33(b)(i) shall be deleted; and
  - (c) the reference to the "Delivery Date" in Section 2.33(b)(ii) shall be deemed to be a reference to the first Valuation Date.
5. "The reference in the third line of Section 3.3 to the "Effective Date" shall be deemed to be a reference to the Trade Date."
6. Section 1.12(a) (iii) of the Credit Derivatives Definitions is amended by replacing each reference to "*the Scheduled Termination Date*" by a reference to "*the close of business on the third Business Day prior to the Scheduled Termination Date*".
9. **The standard terms relating to each Entity Type are set out in Schedule 10.**



## SCHEDULE 9: CREDIT-LINKED NOTES WITH A STATIC PORTFOLIO OF REFERENCE ENTITIES AS UNDERLYING

The terms and conditions applicable to Credit-Linked Notes with a static portfolio of reference entities as underlying shall comprise the Conditions of the Euro Medium Term Notes set out above (the "**Principal Conditions**") and the additional terms and conditions set out below (the "**CLN Tranche Conditions**") in each case subject to the applicable Final Terms. In the event of any inconsistency between (i) the Principal Conditions and the CLN Tranche Conditions, the CLN Tranche Conditions shall prevail. In the event of any inconsistency between (i) the Principal Conditions and/or the CLN Tranche Conditions and (ii) the applicable Final Terms, the applicable Final Terms shall prevail.

If Credit-Linked Notes type 3 is shown as being applicable in the applicable Final Terms, then the CLN Tranche Conditions will incorporate the notional credit default swap confirmation 3 mentioned below ("**CDS Confirmation 3**"). The relevant amounts, dates, terms and information of the CDS Confirmation 3 will be completed in the applicable Final Terms.

### CDS Confirmation 3

The purpose of this confirmation and any schedules hereto (this "**Confirmation**") is to confirm the terms and conditions of the notional credit default swap deemed to be entered into between two notional counterparties ("**Seller**" and "**Buyer**") on the Trade Date specified below and is not an actual transaction (the "**Notional Credit Default Swap**") for the purposes of which the Issuer shall be deemed to be the Buyer.

The definitions and provisions contained in the 2003 ISDA Credit Derivatives Definitions, as supplemented by the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions, and as further supplemented by the Additional Provisions for Physically Settled Default Swaps – Monoline Insurer as Reference Entity, published on 21 January 2005 (the "**Monoline Supplement**") (together, the "**Credit Derivatives Definitions**"), each as published by the International Swaps and Derivatives Association, Inc., ("**ISDA**"), 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 relates to the portfolio (the "**Reference Portfolio**") comprising of a basket of Reference Entities. This Transaction contemplates that there may be more than one Credit Event and therefore the Conditions to Settlement may be satisfied with respect to more than one Reference Entity and accordingly there may be multiple Event Determination Dates, Cash Settlement Amounts and Cash Settlement Dates and the Credit Derivatives Definitions (and in particular the definition of "**Termination Date**") should, for the purposes of this Confirmation, be interpreted accordingly.

Any capitalised terms not defined in this Confirmation shall have the respective meanings ascribed to them in the applicable Final Terms and in the Agency Agreement relating to the Programme, as the case may be. In the event of any inconsistency between those terms defined in the Final Terms or in the Agency Agreement, and those defined in this Confirmation, this Confirmation will govern.

This Confirmation relates to a notional credit default swap transaction deemed to have been entered into between the Buyer and the Seller and is not an actual transaction ("**Notional Credit Default Swap**").

The terms of the Notional Credit Default Swap are as follows:

#### 1. General Terms:

Trade Date:	[    ]
Effective Date:	[    ]
Scheduled Termination Date:	Scheduled Maturity Date under the Notes
Termination Date:	The later of: (i) Scheduled Termination Date; and (ii) the final Cash Settlement Date in respect of this Transaction, such date being expected to occur no later than [    ]
Floating Rate Payer:	The Noteholders (the " <b>Seller</b> ").
Fixed Rate Payer:	The Issuer (the " <b>Buyer</b> ").

Calculation Agent:

Fortis Banque Luxembourg S.A.  
or any other agent(s) appointed from  
time to time.

Calculation Agent City:

[ ]

Business Days for all purposes other  
than the calculation and payment of the Interest  
Amounts and Calculation Agent City Business  
Day:

In respect of a Reference Entity,  
the Business Days specified in the  
Applicable Standard Terms (each such  
day being a "**Transaction Day**").

For all other purposes and  
unless otherwise provided for herein,  
[ ] Settlement Day."

Reference Portfolio:

The portfolio comprising each of  
the Reference Entities. The Calculation  
Agent will from time to time and in  
accordance with the Successor  
Provisions amend Appendix 1 to reflect  
all required changes in the Reference  
Portfolio.

Reference Entity:

The Reference Entities are  
composed of:

- (a) the following Reference Entities  
(which will be considered to be  
European Reference Entities):

[ ]

- (b) the following Reference Entities  
(which will be considered to be  
US Reference Entities):

[ ]

- (c) the following Reference Entities  
(which will be considered to be  
Asian Entities)

[ ]

- (d) the following Reference Entities  
(which will be considered to be  
Japanese Entities)

[ ]

- (e) the following Reference Entities  
(which will be considered to be  
Australian Entities)

[ ]

- (f) the following Reference Entities  
(which will be considered to be  
New Zealand Entities)

[ ]

- (g) the following Reference Entities  
(which will be considered to be  
Singapore Entities)

[ ]

- (h) the following Reference Entities  
(which will be considered to be  
Subordinated European

Insurance Entities)

[ ]

- (i) the following Reference Entities  
(which will be considered to be  
Latin American Entities)

[ ]

- (j) the following Reference Entities  
(which will be considered to be  
Asian Sovereigns Entities)

[ ]

- (k) the following Reference Entities  
(which will be considered to be  
European Emerging Markets and  
Middle Eastern Sovereigns  
Entities)

[ ]

- (l) the following Reference Entities  
(which will be considered to be  
Japanese Sovereigns Entities)

[ ]

- (m) the following Reference Entities  
(which will be considered to be  
Australian Sovereigns Entities)

[ ]

- (n) the following Reference Entities  
(which will be considered to be  
New Zealand Sovereigns Entities)

[ ]

- (o) the following Reference Entities  
(which will be considered to be  
Singapore Sovereigns Entities)

[ ]

- (p) the following Reference Entities  
(which will be considered to be  
Latin American Sovereigns  
Entities)

[ ]

- (q) the following Reference Entities  
(which will be considered to be  
Western European Sovereigns  
Entities)

[ ]

Each such European Reference  
Entity, US Reference Entity, Asian  
Reference Entity, Japanese Reference  
Entity, Australian Reference Entity, New  
Zealand Reference Entities, Singapore  
Reference Entity, Subordinated  
European Insurance Entity, Latin  
American Entity, Asian Sovereigns  
Entities, European Emerging Markets  
and Middle Eastern Sovereigns Entities,

Japanese Sovereigns Entities, Australian Sovereigns Entities, New Zealand Sovereigns Entities; Singapore Sovereigns Entities, Latin American Sovereigns Entities and Western European Sovereigns Entities, and, in each case, any Successor, shall be Reference Entities.

Each Reference Entity has been designated a particular "**Entity Type**" in Annex 1. References in this Confirmation to "**Standard Terms**" means in respect of a Reference Entity the corresponding standard terms specified for its Entity Type in the relevant Annex to Schedule .

As of any date, if a Cash Settlement Date has occurred in respect of a Reference Entity, as identified by its Identification Number and its legal name, and the aggregate of the amounts in respect of which one or more Credit Event Notices have been sent has the effect of reducing the relevant Reference Entity Notional Amount to zero, then the relevant Reference Entity as identified by its Identification Number and its legal name (and the Reference Obligation which relates to that Reference Entity) shall, on the Cash Settlement Date, be removed from the Reference Portfolio and it shall cease to be a Reference Entity (and, in the case of a Reference Obligation, cease to be a Reference Obligation), and the Reference Portfolio shall be deemed amended accordingly

Reference Entity Notional Amount:

With respect to a Reference Entity, as identified by its Identification Number and its legal name, the euro amount specified as such as relating to that Reference Entity and as set out against the name of such Reference Entity in Appendix 1 under the heading "*Reference Entity Notional Amount*" subject to adjustment as provided in Section 2.2 of the Credit Derivatives Definitions (as amended herein). Such amount shall be reduced by any Exercise Amount, as provided by Section 3.9 of the Credit Derivatives Definitions, as amended herein

Reference Obligation(s):

With respect to a Reference Entity, as identified by its Identification Number and its legal name, the obligation, if any, specified as such as relating to that Reference Entity as set out against the name of such Reference Entity in Appendix 1 under the heading "*Reference Obligation*", and any Substitute Reference Obligation, provided that any Reference Obligation or Substitute Reference Obligation shall not be a Reference Obligation unless:

- (a) it falls within the Valuation Obligation Category and satisfies the Valuation Obligation

Characteristics applicable to that Reference Entity as at the Effective Date; and

- (b) it ranks at least *pari passu* with obligations of such Reference Entity having the relevant Seniority Status with respect to such Reference Entity.

Credit Event Observation Start Date: the Effective Date.

Credit Event Observation End Date: The earlier to occur of:

- (a) the second Business Day prior to the Scheduled Maturity Date; and
- (b) the day on which the sum of all prior Cash Settlement Amounts (if any), is greater than or equal to the Original Tranche Notional Amount

Notice Delivery Period End Date: The earlier to occur of:

- (a) the second Business Day prior to the Scheduled Maturity Date; and
- (b) the day on which the sum of all prior Cash Settlement Amounts (if any), is greater than or equal to the Original Tranche Notional Amount.

Reference Entity Type: With respect to a Reference Entity, as identified by its Identification Number and its legal name, the type of such Reference Entity, being either corporate ("**corporate**") or sovereign ("**sovereign**") as set out against the name of such Reference Entity in Appendix 1 under the heading "Reference Entity Type".

Merger of Reference Entity and Seller: In the event that (i) the Seller consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Reference Entity or (ii) a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to the Seller, or (iii) the Seller and a Reference Entity become Affiliates, then, such Reference Entity shall be deemed to be removed from the Reference Portfolio.

Swap Currency: [ ]

2. **Fixed Payments:**

Not applicable.

3. **Floating Amounts:**

Conditions to Settlement: Credit Event Notice  
Notifying Party: Buyer

Notice of Publicly Available Information: Applicable.

Specified Number: Two.

Subject to Section 3.9. of the Credit Derivatives Definitions, the Conditions to Settlement may be satisfied more than once in relation to the Reference Portfolio but only once in relation to each Reference Entity, as identified by its Identification Number and its legal name.

Event Determination Date:

Means, with respect to a Reference Entity, as identified by its Identification Number and its legal name, and a Credit Event, the first date on which both the Credit Event Notice and the Notice of Publicly Available Information are effective.

Credit Events:

Subject to extension for any Potential Failure to Pay or Potential Repudiation/Moratorium, as applicable, a Credit Event may occur with respect to each Reference Entity, as identified by its Identification Number and its legal name, on any date during the Credit Event Observation Period determined with respect to such Reference Entity.

Credit Event Observation Period:

With respect to each Reference Entity, as identified by its Identification Number and its legal name, the period from and including the relevant Credit Event Observation Start Date, to, and including the relevant Credit Event Observation End Date.

#### 4. Settlement Terms:

Valuation Business Day:

(i) Any day on which commercial banks and foreign exchange markets are generally open to settle payments in Luxembourg, Brussels, London, New York and (ii) with respect to each Reference Entity as identified by its Identification Number and its legal name, any day on which commercial banks and foreign exchange markets are generally open to settle payments in any other cities specified as relating to such Reference Entity and as set out against the name of such Reference Entity in Appendix 1 to this Confirmation, under the heading "*Valuation Business Day*" and on which TARGET2 is operating (such day, a "**Supplementary Valuation Business Day**").

For the purposes of this Confirmation, references to "*Business Day*" or "*Business Days*" in Article VII of the Credit Derivatives Definitions will be deemed to be references to "*Valuation Business Day*" or "*Valuation Business Days*".

Settlement Method:

Cash Settlement.

Notwithstanding anything to the contrary in the Credit Derivatives Definitions, in respect of each Reference Entity, as identified by its Identification Number and its legal name, if the Conditions to Settlement are satisfied with respect to such Reference Entity, the Long Settlement Method shall apply.

Cash Settlement Date:

With respect to a Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, the Incurred Tranche Loss Impact Date.

Delta Amount:

With respect to any Reference Entity, as identified by its Identification Number and its legal name, the amount provided in the relevant Credit Event Notice. The Delta Amount shall not be higher than either the relevant Reference Entity Notional Amount or the Exercise Amount, as the case may be.

Delta:

With respect to any Reference Entity, as identified by its Identification Number and its legal name, the Delta Amount divided by the Reference Entity Notional Amount or by the Exercise Amount, as the case may be, and as specified in the Credit Event Notice.

Valuation Portfolio:

With respect to a Reference Entity as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, a portfolio of one or more Valuation Obligations in respect of which the sum of the related Valuation Obligation Balances (converted if necessary to Euro using the exchange rate determined on the last Notification Date by the Calculation Agent acting in good faith and in a commercially reasonable manner) is equal to the Delta Amount, such Valuation Portfolio as selected by the Buyer, and notified (in writing or by telephone) to the Seller on or before the day that falls 5 Business Days prior to the first Valuation Date (the date on which such notification occurs, the "**Notification Date**").

The Buyer may notify the Seller that the Buyer is changing one or more Valuation Obligations to be valued or the detailed description thereof or one or more Valuation Obligation Balances, but each such notice must be effective on or prior to the fifth Business Day prior to the first Valuation Date. The date on which such new notice is effective shall be deemed to replace the previously determined Notification Date.

Valuation Obligation Balance:

With respect to a Valuation Obligation in a Valuation Portfolio, an amount in the currency of denomination of that Valuation Obligation specified as

such by the Buyer to the Seller on the last Notification Date (determined by the Buyer on such last Notification Date acting in good faith and in a commercially reasonable manner).

Valuation Obligations:

With respect to a Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, any obligation selected by Buyer provided that such obligation must be:

- (a) an obligation of the relevant Reference Entity, as identified by its Identification Number and its legal name, (either directly or as provider of a Qualifying Affiliate Guarantee or Qualifying Policy (if the relevant Reference Entity is identified in Appendix 1 as being Valuation Obligation Type 1) or, if All Guarantees is specified as applicable to the relevant Reference Entity in Appendix 1, as provider of any Qualifying Guarantee):
  - (i) described by the Valuation Obligation Category applicable to such Reference Entity and, subject to Section 2.21(c) of the Credit Derivatives Definitions, having each of the Valuation Obligation Characteristics applicable to such Reference Entity, in each case as of the day that falls 5 Business Days prior to the first Valuation Date; and
  - (ii) that satisfies the criteria set out in Section 2.15(a)(i) to (iii) of the Credit Derivatives Definitions and, if applicable, Section 2.32 or Section 2.33 of the Credit Derivatives Definitions;
- (b) subject to the second paragraph of Section 2.20(b)(i) of the Credit Derivatives Definitions, a Reference Obligation of the relevant Reference Entity, as identified by its Identification Number and its legal name, unless specified in Appendix 1 as an Excluded Valuation Obligation;
- (c) solely in relation to Sovereign Restructured Valuation



Obligation (but excluding any Excluded Valuation Obligation) that satisfies the criteria set out in Section 2.15(c)(i) to (iii) of the Credit Derivatives Definitions; and in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any

- (d) any other obligation of the relevant Reference Entity, as identified by its Identification Number and its legal name, specified as such in Appendix 1 with respect to such Reference Entity.

For the avoidance of doubt, Section 2.21 of the Credit Derivatives Definitions shall apply for the purposes of determining whether an obligation is described by the relevant Valuation Obligation Category and has each of the relevant Valuation Obligation Characteristics.

For the purposes of Article VII of the Credit Derivatives Definitions, references to "*Reference Obligation*" shall be deemed to be references to the relevant Valuation Obligations.

Valuation Obligation Loss Amount:

With respect to a Valuation Obligation in the Valuation Portfolio in respect of which a Final Price has been calculated, the greater of:

- (a) (100 per cent. – Final Price) multiplied by the relevant Valuation Obligation Balance, (such resulting amount converted if necessary to Euro using the exchange rate determined on the last Notification Date by the Calculation Agent acting in good faith and in a commercially reasonable manner); and
- (b) zero.

Final Price:

With respect to each Valuation Obligation in the Valuation Portfolio, the price of such Valuation Obligation, expressed as a percentage, determined in accordance with the specified Valuation Method.

Notwithstanding the foregoing, upon the occurrence of a Public Auction Event with respect to the relevant Reference Entity, the Final Price of such Valuation Obligation will be equal to the Public Auction Final Price determined in relation to the relevant Reference Entity and there will be no requirement on the Calculation Agent to obtain a Final Price in accordance with the Valuation Method unless the Public Auction process results in more than one recovery rate in respect of the affected Reference Entity

being determined in accordance with the terms of the Public Auction, whereupon the Final Price will be calculated in accordance with the Valuation Method with the first Valuation Date falling on the later of the fifth Valuation Business Day following the date on which the Calculation Agent determines that the Public Auction has resulted in more than one such recovery rate and the 60th Valuation Business Day following the Conditions to Settlement being satisfied in respect of the affected Reference Entity.

Public Auction Event:

Means, in relation to any Valuation Obligation, notification from the Buyer to the Seller on or before the fifth Business Day immediately prior to the first Valuation Date that a Public Auction has, or will be, held to determine Public Auction Final Price in respect of such Valuation Obligation.

Public Auction Final Price:

Means the recovery rate determined in respect of a Reference Entity pursuant to a Public Auction, expressed as a percentage.

Public Auction:

Means the procedure by which the recovery rate of a Reference Entity which is the subject of a Credit Event is determined in the market pursuant to an auction process organised under a protocol or other similar document published by ISDA, any successor thereto, or any other entity which is capable of adherence by participants in the credit derivatives market generally.

Valuation Time:

Means, on or about 11.00 a.m. in the Quotation City applicable to the relevant Valuation Obligation, except that, if such time is earlier than 9.00 a.m. Brussels time, it shall be postponed to 9.00 a.m. Brussels time, and if such time is later than 4.00 p.m. Brussels time, it shall be advanced to 4.00 p.m. Brussels time.

Quotation City:

Means the city as reasonably determined by the Calculation Agent as being the city where the principal trading market is located for the relevant Valuation Obligation. The Quotation City need not be a city located in the country of incorporation of the relevant Reference Entity, as identified by its Identification Number and its legal name. The Calculation Agent will notify the Seller of the Quotation City on the Notification Date.

Full Quotation:

Means, in accordance with the Quotation Method, each firm quotation obtained from a Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the relevant Valuation Obligation with an outstanding principal balance or Due and Payable

Amount (as the case may be) equal to or greater than the Quotation Amount.

Weighted Average Quotation:

Means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the relevant Valuation Obligation with an outstanding principal balance or Due and Payable Amount (as the case may be) 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 the aggregate are equal to or greater than the Quotation Amount.

Partial Weighted Average Quotation:

Means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the relevant Valuation Obligation with an outstanding principal balance or Due and Payable Amount (as the case may be) of as large a size as available but equal to or less than the Quotation Amount (but of a size at least equal to the Minimum Quotation Amount or, if quotations of a size at least equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount). If the sum of the outstanding principal balance or Due and Payable Amount (as the case may be) with respect to which such quotations are obtained is less than the Quotation Amount, then the quotation with respect to such shortfall shall be deemed to be a firm quotation of zero.

Dealer:

The Calculation Agent will select five (5) dealers (each, a "**Dealer**") for the purposes of determining each Quotation.

Notwithstanding anything to the contrary in the Credit Derivatives Definitions, each Dealer shall be a dealer, or a principal affiliate thereof, in obligations of the type of the Valuation Obligations of the relevant Reference Entity, as identified by its Identification Number and its legal name, or in single name credit derivative transactions referencing the relevant Reference Entity, as identified by its Identification Number and its legal name, selected by the Calculation Agent from the following list, together with any additional dealers or principal affiliates thereof that the parties may from time to time agree in relation to a particular Valuation

Obligation:

ABN AMRO Bank N.V.

Barclays Bank PLC

BNP PARIBAS

CALYON

Citigroup Global Markets Limited

Coöperatieve Centrale  
Raiffeisen-Boerenleenbank B.A.  
(Rabobank International)

Deutsche Bank AG, London  
Branch

Fortis Bank (Nederland) N.V.,  
operating under the trade name  
MeesPierson

Goldman Sachs International

HSBC Bank plc

ING Bank N.V.

J.P. Morgan Securities Ltd.

Merrill Lynch International

Morgan Stanley & Co.  
International plc

Royal Bank of Canada Europe  
Limited

Société Générale

The Royal Bank of Scotland plc

UBS Limited

provided that if one of the Dealers from the above list ceases or has ceased to exist or ceases to be an active Dealer in obligations of the type for which Quotations are to be obtained or a bankruptcy occurs with respect to any Dealer then the Calculation Agent shall select a substitute Dealer (who is a dealer in obligations of the type for which Quotations are to be obtained) and notify the Buyer and the Seller of such selection. A substitute Dealer must meet the requirements set out in the first sentence of the definition of "Dealer" set out in Section 7.15 of the Credit Derivatives Definitions and shall not be an Affiliate of the Buyer. A Dealer selected by the Calculation Agent from the list above shall not be affiliated with any other Dealer selected by the Calculation Agent from the list above. The above list is not exhaustive and may be amended in the applicable Final Terms

Original Tranche Notional Amount: Means EUR [     ]

Outstanding Tranche Notional Amount: Means, at any time on any date, the greater of:

(a) the Original Tranche Notional Amount less the sum of all Cash Settlement Amounts determined under this Confirmation at such time and in respect of which the Incurred Tranche Loss Impact Date has occurred on or prior to such date (if any); and

(b) zero.

Temporary Outstanding Tranche Notional Amount: Means, at any time on any date, the greater of:

(a) the Original Tranche Notional Amount less the sum of:

(i) all Cash Settlement Amounts determined under this Confirmation at such time and in respect of which the Incurred Tranche Loss Impact Date has occurred on or prior to such date (if any);

(ii) all Temporary Tranche Loss Amounts determined under this Confirmation at such time on or prior to such date (if any); and

(b) zero.

Incurred Tranche Loss Impact Date: With respect to a Reference Entity as identified by its Identification Number and its legal name in respect of which the Conditions to Settlement have been satisfied, the third Business Day following the relevant Calculation Date.

If any day is an Incurred Tranche Loss Impact Date with respect to more than one Reference Entity, as identified by its Identification Number and its legal name, and for the purpose of determining the Cash Settlement Amount only, the Aggregate Realised Loss Amount and the Outstanding Tranche Notional Amount (and any other relevant terms) with respect to each Reference Entity shall be calculated in the order of delivery of the relevant Credit Event Notices or if any of the relevant Credit Event Notices are delivered at the same time, in a sequential order determined by the Calculation Agent.

For the purpose of making certain determinations under this Confirmation, and for the avoidance of doubt, an Incurred Tranche Loss Impact

Date will be deemed to occur notwithstanding the fact that the relevant Cash Settlement Amount may be zero.

Cash Settlement Amount:

Means, in respect of any Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, an amount equal to the Realised Incurred Tranche Loss Amount.

Realised Incurred Tranche Loss Amount:

Means, on any date from, and including, the relevant Incurred Tranche Loss Impact Date, with respect to a Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, an amount in the Swap Currency, calculated by the Calculation Agent and equal to the lowest of:

- (a) the Realised Loss Amount with respect to such Reference Entity;
- (b) the greater of:
  - (i) the Aggregate Realised Loss Amount (including the Realised Loss Amount with respect to such Reference Entity) less the Subordination Amount; and
  - (ii) zero; and
- (c) the then Outstanding Tranche Notional Amount (determined without regard to the Realised Loss Amount with respect to such Reference Entity).

Realised Loss Amount:

Means, on any date, with respect to a Reference Entity as identified by its as identified by its Identification Number and its legal name in respect of which the Conditions to Settlement have been satisfied, an amount calculated by the Calculation Agent on the Calculation Date equal to the aggregate of the Valuation Obligation Loss Amounts determined for each Valuation Obligation in the Valuation Portfolio with respect to such Reference Entity and divided by the Delta.

Aggregate Realised Loss Amount:

Means, on any date, the sum of the Realised Loss Amounts for each Reference Entity as identified by its Identification Number and its legal name in respect of which the Conditions to Settlement have been satisfied and the Incurred Tranche Loss Impact Date has occurred.

Temporary Tranche Loss Amount:

Means, on any date, with respect to a Reference Entity as identified by its

Identification Number and its legal name, and in respect of which the Conditions to Settlement have been satisfied, an amount, in the Swap Currency, calculated by the Calculation Agent and equal to the lowest of:

- (a) the Temporary Loss Amount with respect to such Reference Entity (including the Temporary Loss Amount and the Realised Loss Amount with respect to such Reference Entity);
- (b) the greater of:
  - (i) the Aggregate Loss Amount less the Subordination Amount; and
  - (ii) zero; and
- (c) the then Temporary Outstanding Tranche Notional Amount (determined without regard to the Temporary Loss Amount with respect to such Reference Entity).

The Temporary Tranche Loss Amount with respect to a Reference Entity, as identified by its Identification Number and its legal name, and in respect of which the Conditions to Settlement have been satisfied, is reduced to zero as of the Incurred Tranche Loss Impact Date in respect of such Reference Entity.

Aggregate Loss Amount:

Means, on any date, the sum of:

- (a) the Aggregate Realised Loss Amount; and
- (b) the Aggregate Temporary Loss Amount.

Aggregate Temporary Loss Amount:

Means, on any date, the sum of the Temporary Loss Amounts for each Reference Entity as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied.

Temporary Loss Amount:

Means, on any date, with respect to each Reference Entity as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, an amount, in the Swap Currency, calculated by the Calculation Agent and equal to:

- (a) if a Cash Settlement Amount has not been determined and the relevant Incurred Tranche Loss Impact Date has not occurred, the Reference Entity Notional Amount or the Exercise Amount,

as the case may be; and

- (b) if a Cash Settlement Amount has been determined and the relevant Incurred Tranche Loss Impact Date has occurred, zero.

Subordination Amount:

Means EUR [     ].

Final Valuation Date:

Means, in respect of each Reference Entity as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, the date on which the last Final Price is determined in respect of all Valuation Obligations in the Valuation Portfolio. There can only be one Final Valuation Date in respect of each Valuation Portfolio.

Calculation Date:

Means, with respect to a Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied: (a) if a Final Valuation Date exists for all the other Reference Entities in respect of which an Event Determination Date has occurred on or prior to the Event Determination Date of the relevant Reference Entity, the Final Valuation Date of that Reference Entity; or (b) if a Final Valuation Date does not exist for all the other Reference Entities in respect of which an Event Determination Date has occurred on or prior to the Event Determination Date of the relevant Reference Entity, the first date on which there exists a Final Valuation Date in respect of each other Reference Entity with respect to which an Event Determination Date has occurred on or prior to the Event Determination Date of the relevant Reference Entity.

Valuation Date:

Multiple Valuation Dates: 60 Valuation Business Days and each 2 Valuation Business Days thereafter for a total number of Valuation Dates equal to the Valuation Date Number determined with respect to such Valuation Obligation in the Valuation Portfolio.

Weighted Average Highest:

Means the weighted arithmetic mean of the highest Quotations obtained by the Calculation Agent with respect to each Valuation Date.

Quotation Method:

Bid.

Quotation Amount:

With respect to each Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, with respect to the determination of a Quotation and any Valuation Obligation, an amount equal to the related Valuation Obligation Balance divided by the relevant Valuation Date Number, the result then rounded up to



the nearest denomination of the relevant Valuation Obligation. The Quotation Amount in respect of any Valuation Obligation shall not be more than EUR 25,000,000 (or the equivalent in the currency of denomination of that Valuation Obligation) and shall not be less than EUR 1,000,000 (or the equivalent in the currency of denomination of that Valuation Obligation).

Minimum Quotation Amount:

With respect to each Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, with respect to the determination of a Quotation and any Valuation Obligation, an amount equal to the related Valuation Obligation Balance divided by the relevant Valuation Date Number, the result then rounded up to the nearest denomination of the relevant Valuation Obligation. The Minimum Quotation Amount in respect of any Valuation Obligation shall not be more than EUR 25,000,000 (or the equivalent in the currency of denomination of that Valuation Obligation) and shall not be less than EUR 1,000,000 (or the equivalent in the currency of denomination of that Valuation Obligation).

Valuation Date Number:

With respect to each Reference Entity, as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, with respect to the determination of a Quotation and any Valuation Obligation:

- (a) if the relevant Valuation Obligation Balance is less than or equal to an amount equal to EUR 75,000,000, the Valuation Date Number is three; or
- (b) if the relevant Valuation Obligation Balance is greater than EUR 75,000,000, the Valuation Date Number is the number equal to the relevant Valuation Obligation Balance divided by EUR 25,000,000 (the result being rounded up to the nearest integer).

Quotations:

Means, with respect to each Reference Entity as identified by its Identification Number and its legal name, in respect of which the Conditions to Settlement have been satisfied, each Full Quotation (if any), the Partial Weighted Average Quotation (if any) and the Weighted Average Quotation (if any) obtained and expressed as a percentage with respect to a Valuation Date in the manner set out in Section 7.7 of the Credit Derivatives Definitions provided

that Section 7.7 (a) and (b) of the Credit Derivatives Definitions shall be deleted and replaced with the following:

"The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Valuation Business Day (and if necessary, on each Valuation Business Day thereafter until the sixth Valuation Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five Dealers and, if two or more Full Quotations are not available, one or more Full Quotations and a Weighted Average Quotation.

If the Calculation Agent is unable to obtain (i) at least two Full Quotations or (ii) one or more Full Quotations and a Weighted Average Quotation on the same Valuation Business Day on or prior to the seventh Valuation Business Day following the applicable Valuation Date, then the Calculation Agent shall attempt to obtain at least one Full Quotation or a Weighted Average Quotation within an additional three Valuation Business Days.

If the Calculation Agent is unable to obtain one Full Quotation or a Weighted Average Quotation within an additional three Valuation Business Days, then the Calculation Agent will exercise its discretion and determine a Quotation in good faith and in a commercially reasonable manner.

If, on or prior to the sixth Valuation Business Day following the applicable Valuation Date, the Calculation Agent obtains at least two Full Quotations or one or more Full Quotations and a Weighted Average Quotation, such Full Quotations (if any) and such Weighted Average Quotation (if any) shall be considered as Quotations.

If, after the sixth Valuation Business Day following the applicable Valuation Date, but on or prior to the ninth Valuation Business Day following the applicable Valuation Date, the Calculation Agent obtains at least one Full Quotation or a Weighted Average Quotation, such Full Quotation (if any) or such Weighted Average Quotation (if any) shall be considered as Quotations.

If any Quotation comprised in any Full Quotation, Weighted Average Quotation or Partial Weighted Average Quotation is obtained then there shall be added to each such Quotation a

percentage reflecting all principal, interest and other payments and distributions of cash or other property to which a holder of a principal amount of the relevant Valuation Obligation equal to the principal amount in respect of which such Quotation was obtained would have received during the period from the Event Determination Date to the Valuation Business Day on which the Quotation was obtained."

Exclude Accrued Interest

**5. Notifications:**

With respect to any Long Settlement Method, the Calculation Agent will inform the Buyer, the Seller and the Agent in writing of:

- (a) the amount of any Temporary Loss Amount and any Realised Loss Amount in respect of a Reference Entity, as identified by its Identification Number and its legal name, as soon as reasonably practicable following the determination of such Temporary Loss Amount or such Realised Loss Amount, whether or not the Aggregate Loss Amount or the Aggregate Realised Loss Amount, respectively, is less than or equal to the Subordination Amount;
- (b) the amount of any Temporary Tranche Loss Amount greater than zero as soon as reasonably practicable following the determination of such Temporary Tranche Loss Amount; and
- (c) the amount of any Cash Settlement Amount greater than zero in respect of a Reference Entity as identified by its Identification Number and its legal name as soon as reasonably practicable following the determination of such Cash Settlement Amount.
- (d) any change in the Temporary Outstanding Tranche Notional Amount and in the Outstanding Tranche Notional Amount as soon as reasonably practicable following the determination of such change.

Any reference to the term "**in writing**" in the Credit Derivatives Definitions or in this Confirmation shall include by electronic mail.

**6. Calculations:**

- (a) The Calculation Agent shall, in addition to any obligations under Section 1.14 of the Credit Derivatives Definitions, perform such calculations and determinations and make such notifications as are required of it pursuant to this Confirmation.
- (b) The Buyer shall perform such calculations and determinations and make such notifications as are required of it pursuant to this Confirmation.

**7. Complementary Provisions:**

**(A) Valuation Obligations**

For the purposes of this Confirmation and determining Valuation Obligations:

- (a) the references to "*Delivery Date*" or "*Physical Settlement Date*" where they appear in Sections 2.15 (Deliverable Obligation), 2.20 (Method for Determining Deliverable Obligations), 8.7 (Provisions Applicable to Convertible, Exchangeable and Accreting Obligations), 8.8 (Due and Payable Amount) of the Credit Derivatives Definitions or in any of the other provisions of the Credit Derivatives Definitions shall be deemed to be references to the Notification Date;
- (b) the reference in Section 2.15(a) and 2.15(c) (Deliverable Obligation) of the Credit Derivatives Definitions to "the outstanding principal balance or Due and Payable Amount being Delivered" shall be deemed to be reference to "the amount in respect of which Quotations are to be sought";
- (c) subject to paragraphs 6(G) and (H) hereof, each reference in the Credit Derivatives Definitions to "*a Deliverable Obligations*" and "*the Deliverable Obligation*" shall be deemed to be references to "*a Valuation Obligation*" and "*the Valuation Obligation*" respectively, each reference to "*Deliverable Obligation Category*" shall be deemed to be a reference to "Valuation Obligation Category" and each reference to "*Deliverable Obligation*"

*Characteristics*" shall be deemed to be a reference to "*Valuation Obligation Characteristics*";

- (d) each reference in Section 2.16 (Sovereign Restructured Deliverable Obligation) to "Deliverable" shall be deemed to be a reference to "Valuation" and the words "the related Confirmation" shall be deleted wherever they appear and replaced with "Appendix 1 with respect to such Reference Entity, as identified by its Identification Number and its legal name"; and
- (e) each reference in Section 2.18 (Excluded Deliverable Obligation) to "*Deliverable*" shall be deemed to be a reference to "*Valuation*".

**(B) Section 1.9. Notice Delivery Period**

Section 1.9. Notice Delivery Period of the Credit Derivatives Definitions shall be deleted and replaced in its entirety by the following provision:

**"Section 1.9. Notice Delivery Period.** "*Notice Delivery Period*" means, with respect to a Reference Entity as identified by its Identification Number and its legal name, and a Credit Event, the period from and including the Effective Date to and including: (a) the Notice Delivery Period End Date or (b) the date that is fourteen calendar days after (1) the Grace Period Extension Date if (i) Grace Period Extension is specified as applicable in relation to such Reference Entity, (ii) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the relevant Credit Event Observation End Date, (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the relevant Credit Event Observation End Date and (iv) the Failure to Pay Extension Condition is satisfied, or (2) 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 relevant Credit Event Observation End Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the relevant Credit Event Observation End Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied, provided that in any case, the Notice Delivery Period shall not terminate on a date later than the second Business Day prior to the Termination Date."

For the purpose of Section 1.9, as amended by this CLN Tranche Condition 7(B):

- (a) The Failure to Pay Extension Condition is satisfied by the delivery of a Failure to Pay Extension Notice and, Notice of Publicly Available Information by the Buyer to the Seller that is effective during the period described in clause (a) of the definition of Notice Delivery Period.
- (b) The Failure to Pay Extension Notice means an irrevocable notice (which may be by telephone) from the Buyer to the Seller that describes a Potential Failure to Pay that occurred on or after the relevant Credit Event Observation Start Date and on or prior to the relevant Credit Event Observation End Date. A Failure to Pay Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Failure to Pay has occurred and indicate the date of the occurrence. The Potential Failure to Pay that is the subject of the Failure to Pay Extension Notice need not be continuing on the date the Failure to Pay Extension Notice is effective. A Failure to Pay Extension Notice shall be subject to the requirements regarding notices set forth in Section 1.10 of the Credit Derivatives Definitions.

**(C) Section 1.11. Grace Period Extension Date**

Section 1.11 of the Credit Derivatives Definitions shall be amended by replacing references to "*Scheduled Termination Date*" with references to the "*relevant Credit Event Observation End Date*" and by replacing the words "the Grace Period Extension Date will be the Termination Date (even if a Failure to Pay occurs after the Scheduled Termination Date)" with the words "the Conditions to Settlement may not be satisfied for a Failure to Pay with respect to the relevant Reference Entity, as identified by its Identification Number and its legal name (even if a Failure to Pay occurs after the relevant Credit Event Observation End Date)".

**(D) Section 1.12. Grace Period; Grace Period Business Day**

Section 1.12 of the Credit Derivatives Definitions shall be amended by replacing:

- (a) references to "*Scheduled Termination Date*" with references to the "*relevant Credit Event Observation End Date*"; and
- (b) references to "*Trade Date*" with references to "*Entrance Date of the relevant Reference Entity*".

**(E) Section 2.2. Provisions for Determining a Successor**

Section 2.2 of the Credit Derivatives Definitions shall be amended as follows:

- (a) the words "*for the entire Credit Derivative Transaction*" shall be deleted from Sections 2.2(a)(i) and 2.2(a)(ii) and replaced with the words "*of the Reference Entity*";
- (b) the words "*for a New Credit Derivative Transaction determined in accordance with the provisions of Section 2.2(e)*" shall be deleted from Sections 2.2(a)(iii) and 2.2(a)(iv) and replaced with the words "*and the Reference Entity Notional Amount in respect of each such Successor will be*";
- (c) the words "*and the Credit Derivative Transaction*" shall be deleted from Section 2.2(a)(v);
- (d) the definition of "*Succession Event*" in Section 2.2 (b) shall be amended by the insertion of the words "*and occurring on or after the date indicated in Appendix 1 hereto as the Entrance Date in respect of that Reference Entity*" between the words "*Reference Entity*" and "*, whether by operation of law*" in the first sentence thereof;
- (e) Section 2.2(d) shall be amended by the deletion from sub-section (i) of the words "*Credit Derivative Transaction*" and their replacement with the words "*Reference Entity*", and by the insertion in sub-section (iii) of the words "*specified in relation to the relevant Reference Entity*" between the words "*Obligation*" and "*, a Substitute*" and by the replacement of the words "*Credit Derivative Transaction*" with "*Reference Entity*" in the last line;
- (f) Section 2.2(e) shall be replaced in its entirety by the following:

"Where, pursuant to Section 2.2(a) above, one or more Successors have been identified in relation to a particular Reference Entity as identified by its Identification Number and its legal name,:

- (i) each such Successor will be a Reference Entity (a "**Successor Reference Entity**") for the purposes of this Transaction (and, for the avoidance of doubt, the original Reference Entity shall cease to be a Reference Entity except where it is a Successor Reference Entity); and
  - (ii) the Reference Entity Notional Amount in respect of each such Successor Reference Entity shall be the Reference Entity Notional Amount in respect of the original Reference Entity divided by the number of Successor Reference Entities."; and
- (g) a new Section 2.2(f) shall be inserted as follows:

"Where pursuant to Section 2.2(a) above, the Calculation Agent determines that a single entity would be a Reference Entity more than once, then it will be deemed to be a Reference Entity only once and the Reference Entity Notional Amount with respect to such Reference Entity will be the sum of the Reference Entity Notional Amounts (after the application of Section 2.2(e), if any, for the avoidance of doubt) otherwise applicable to it."

**(F) Section 2.30. Substitute Reference Obligation**

Section 2.30 of the Credit Derivatives Definitions shall be deleted in its entirety and replaced by the following:

**"Section 2.30 Substitute Reference Obligation. "Substitute Reference Obligation"** means one or more obligations of a Reference Entity as identified by its Identification Number and its legal name, (either directly or as provider of a Qualifying Affiliate Guarantee or Qualifying Policy (if the relevant Reference Entity is identified in Appendix 1 as being Valuation Obligation Type 1) or, if All Guarantees is specified as applicable in respect of such Reference Entity as provider of any Qualifying Guarantee) that will replace the Reference Obligation set out against the name of such Reference Entity in Appendix 1 hereto, such obligation being identified by the Calculation Agent in accordance with the following procedures:

- (a) In the event that (i) such Reference Obligation is redeemed in whole or (ii) in the opinion of the Calculation Agent (A) the aggregate amounts due under such Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortization or prepayments); (B) such Reference Obligation is an Underlying Obligation with a Qualifying Guarantee or Insured Instrument with a Qualifying Policy (if the corresponding Reference Entity is identified in Appendix 1 as being Valuation Obligation Type 1) of the corresponding Reference Entity as identified by its Identification Number and its legal name, and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee or Qualifying Policy (if the corresponding Reference Entity is identified in Appendix 1 as being Valuation Obligation Type 1) 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, such Reference Obligation is no longer an obligation of the corresponding Reference Entity as identified by its Identification Number and its legal name, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation (the "**Replaced Reference Obligation**").

- (b) Any Substitute Reference Obligation or Substitute Reference Obligations of a Replaced Reference Obligation shall be an Obligation that (i) ranks *pari passu* (or, if no such Obligation exists, then, at the Buyer's option, an Obligation that ranks senior) in priority of payment with such Replaced Reference Obligation (with the ranking in priority of payment of such Replaced Reference Obligation being determined as of the later of (A) the relevant Entrance Date and (B) the date on which such Replaced Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such later date), (ii) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent, of the delivery and payment obligations of the parties to this Transaction and (iii) is an obligation of the relevant Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or Qualifying Policy (if the relevant Reference Entity is identified in Appendix 1 as being Valuation Obligation Type 1) or, if All Guarantees is specified as applicable with respect to the relevant Reference Entity, as provider of a Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Replaced Reference Obligation.
- (c) For 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."

**(G) Section 2.32. Restructuring Maturity Limitation and Fully Transferable Obligation**

- (a) The first paragraph of Section 2.32 of the Credit Derivatives Definitions shall be deleted in its entirety and replaced by the following: "(a) If "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" is specified as applicable to a Reference Entity and "Restructuring" is the only Credit Event specified in a Credit Event Notice delivered by the Buyer in relation to such Reference Entity, then a Valuation Obligation can only be selected as a Valuation Obligation in the Valuation Portfolio for such Reference Entity if it is a Fully Transferable Obligation with a final maturity date not later than the Restructuring Maturity Limitation Date."
- (b) The definition of "*Fully Transferable Obligation*" in Section 2.32 of the Credit Derivatives Definitions shall be deemed to mean a Valuation 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 Valuation Obligation other than Bonds. For purposes of determining whether a Valuation Obligation is Transferable or is capable of being assigned or novated to Eligible Transferees, such determination shall be made as of the relevant Notification Date, taking into account only the terms of the Valuation Obligation and any related transfer or consent documents which have been obtained by the Buyer.
- (c) The final paragraph of Section 2.32 (b) of the Credit Derivatives Definitions shall be deemed to read as follows:  
  
"Any requirement that notification of transfer of a Valuation Obligation be provided to a trustee, agent, administrative agent, clearing agent or paying agent for a Valuation Obligation shall not be considered to be a requirement for consent for purposes of this Section 2.32 (b)".

**(H) Section 2.33. Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation**

- (a) The first paragraph of Section 2.33 of the Credit Derivatives Definitions shall be deemed to be replaced in its entirety by the following: "(a) If "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" is specified as applicable to a Reference Entity and "Restructuring" is the only Credit Event specified in a Credit Event Notice delivered by the Buyer in relation to such Reference Entity, then a Valuation Obligation can only be selected as a Valuation Obligation in the Valuation Portfolio for such Reference Entity if it is a Conditionally Transferable Obligation with a final maturity date not later than the Modified Restructuring Maturity Limitation Date."
- (b) The definition of "*Conditionally Transferable Obligation*" in Section 2.33 of the Credit Derivatives Definitions shall be deemed to mean a Valuation 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 Valuation Obligation other than Bonds, provided, however, that a Valuation Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity as identified by its Identification Number and its legal name, or the guarantor, if any, of a Valuation Obligation other than a Bond (or the consent of the relevant obligor if a Reference Entity as identified by its Identification Number and its legal name, is guaranteeing or insuring such Valuation Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Valuation Obligation provided that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Valuation Obligation be provided to a trustee, agent, administrative agent, clearing agent or paying agent for a Valuation Obligation shall not be considered to be a requirement for consent for purposes of this Section 2.33(b).

- (c) Section 2.33 (b)(i) and (ii) of the Credit Derivatives Definitions shall be deleted and replaced with the following:

- "(i) Where Modified Restructuring Maturity Limitation under Section 2.33 as amended by this Confirmation, applies and a Valuation Obligation is a Conditionally Transferable Obligation with respect to which consent is required to novate, assign or transfer, then if the requisite consent is refused (whether or not a reason is given for such refusal and, where a reason is given for such refusal, regardless of that reason), or is not received by the fifth Business Day prior to the Valuation Date (in which case it shall be deemed to have been refused), the Buyer shall promptly notify the Seller of such refusal (or deemed refusal) and shall, on such date, select one or more other obligations that constitute Valuation Obligations of the relevant Reference Entity, as identified by its Identification Number and its legal name, on such date.
- (ii) For purposes of determining whether a Valuation Obligation satisfies the requirements of the determination of Conditionally Transferable Obligation, such determination shall be made as of the fifth Business Day prior to the Valuation Date, taking into account only the terms of the Valuation Obligation and any related transfer or consent documents which have been obtained by the Buyer."

**(I) Section 3.3 Credit Event Notice**

Section 3.3 of the Credit Derivatives Definitions shall be amended as follows:

- (a) references to "*Effective Date*" will be deemed to be references to the "*relevant Credit Event Observation Start Date*";
- (b) references to "*Scheduled Termination Date*" will be deemed to be references to the "*relevant Credit Event Observation End Date*";
- (c) Section 3.3 (b) shall be supplemented by the following: "*(iv) the Failure to Pay Extension Condition is satisfied; and*"; and
- (d) the last paragraph shall be deleted and replaced by the following: "A Credit Event Notice must contain (a) a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred (b) the Delta Amount and (c) the Delta. 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 forth in Section 1.10 of the Credit Derivatives Definitions. A form of Credit Event Notice is set forth in Exhibit B."

**(J) Section 3.9. Credit Event Notice After Restructuring**

Section 3.9. of the Credit Derivatives Definitions shall be deleted and replaced in its entirety by the following provision:

**"Section 3.9. Credit Event Notice After Restructuring.** Notwithstanding anything to the contrary in these Definitions, upon the occurrence of a Restructuring Credit Event with respect to a Reference Entity as identified by its Identification Number and its legal name, during the Term of the Transaction:

- (a) the Buyer may deliver multiple Credit Event Notices with respect to such Reference Entity, each such Credit Event Notice setting forth the amount of the Reference Entity Notional

Amount for such Reference Entity to which such Credit Event Notice applies (the "Exercise Amount");

- (b) if the Buyer has delivered a Credit Event Notice that specifies an Exercise Amount that is less than the then outstanding Reference Entity Notional Amount for such Reference Entity (after taking into account any previous Exercise Amounts in relation to such Reference Entity), upon satisfaction of the Conditions to Settlement with respect to the Credit Event specified in such Credit Event Notice, settlement will occur in accordance with the applicable Settlement Method as if the Exercise Amount were the Reference Entity Notional Amount with respect to such Reference Entity, and upon satisfaction of such Conditions to Settlement, without prejudice to the foregoing provisions of this paragraph, the Reference Entity Notional Amount will be an amount equal to the Reference Entity Notional Amount outstanding prior to such Credit Event Notice (taking into account any previously specified Exercise Amount) minus the Exercise Amount to which the current Credit Event Notice relates;
- (c) the Exercise Amount in connection with any Credit Event Notice describing a Credit Event in relation to a Reference Entity as identified by its Identification Number and its legal name, other than a Restructuring must be equal to the then outstanding Reference Entity Notional Amount for such Reference Entity (and not a portion thereof); and
- (d) the Exercise Amount in connection with a Credit Event Notice describing a Restructuring must be in the amount that is at least 1,000,000 units of the Swap Currency or an integral multiple thereof or the entire then Reference Entity Notional Amount."

**(K) Section 4.6 Repudiation/Moratorium**

Section 4.6 of the Credit Derivatives Definitions shall be amended by:

- (a) replacing references in Section 4.6 (e) to "*Effective Date*" with references to the "*relevant Credit Event Observation Start Date*";
- (b) replacing references in Section 4.6 (e) to "*Scheduled Termination Date*" with references to the "*relevant Credit Event Observation End Date*";
- (c) replacing in Section 4.6 (b) the words "the Repudiation/Moratorium Evaluation Date will be the Termination Date (even if a Repudiation/Moratorium occurs after the Scheduled Termination Date)" with the words "the Conditions to Settlement may not be satisfied for a Repudiation/Moratorium with respect to the relevant Reference Entity, as identified by its Identification Number and its legal name (even if a Repudiation/Moratorium occurs after the relevant Credit Event Observation End Date)".

**(L) Requirements to consult**

Notwithstanding any provision of the Credit Derivatives Definitions, the Calculation Agent shall not be required to consult with the Seller or the Buyer in relation to any determination or calculation made by the Calculation Agent, and such determination or calculation shall be binding in the absence of manifest error, negligence, wilful misconduct and fraud. For the avoidance of doubt, the words "after consultation with the parties" shall be disregarded throughout the Credit Derivatives Definitions.

**(M) Section 8**

For the purposes of this Confirmation, Section 8.1, 8.3, 8.4, 8.5, 8.6, 8.9, 8.10 and 8.11 of the Credit Derivatives Definitions shall not be applicable.

**(N) Section 9 and Section 10**

For the purposes of this Confirmation, Section 9 and Section 10 of the Credit Derivatives Definitions shall not be applicable.



## **APPENDIX 1: REFERENCE PORTFOLIO**

The Reference Portfolio will be included in the applicable Final Terms.

Fortis Bank (Nederland) N.V. has used its best efforts to verify the names of the Reference Entities and details of the Reference Obligations contained in the Reference Portfolio. Such information has been verified as at the Issue Date for each Reference Entity, by reference to publicly available information. Fortis Bank (Nederland) N.V. has accurately reproduced these information. As far as Fortis Bank (Nederland) N.V. is aware and is able to ascertain from publicly available information, no facts have been omitted which would render the reproduced information inaccurate or misleading. The relevant source(s) of the information will be mentioned in the applicable Final Terms. Publicly available information can be inaccurate or outdated, and as a result corrections to the details of the Reference Entities and Reference Obligations may be needed from time to time.

## **APPENDIX 2: STANDARD TERMS**

The standard terms relating to each Entity Type are set out in Schedule 10.

## SCHEDULE 10: STANDARD TERMS ADDED AS ANNEX OF EACH CDS CONFIRMATION

### ANNEX A

#### STANDARD TERMS FOR EUROPEAN CORPORATES

Business Days	<p>If the Floating Rate Payer Calculation Amount is denominated in</p> <p>USD: London &amp; New York</p> <p>EUR: London, New York &amp; TARGET2</p> <p>GBP: London</p> <p>JPY: London &amp; Tokyo</p> <p>CHF: London &amp; Zurich</p>
All Guarantees	Applicable
Credit Events	<p>Bankruptcy</p> <p>Failure to Pay</p>
Grace Period Extension	Not Applicable
Payment	
Requirement	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
Restructuring	
Restructuring Maturity Limitation and Fully Transferable Obligation	Not Applicable
Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation	Applicable
Default Requirement	USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
Multiple Holder Obligation	Applicable
Obligation	
Obligation Category	Borrowed Money
Obligation Characteristics	None
Deliverable Obligations	
Deliverable Obligation Category	Bond or Loan
Deliverable Obligation Characteristics:	<p>Not Subordinated</p> <p>Specified Currency: Standard Specified Currencies</p> <p>Not Contingent</p> <p>Assignable Loan</p> <p>Consent Required Loan</p> <p>Transferable</p> <p>Maximum Maturity 30 years</p> <p>Not Bearer</p> <p>Exclude Accrued Interest</p>
Physical Settlement	

Period 30 Business Days  
(only relevant in case of CDS  
Confirmation 1)

Delivery Limitation Applicable

## ANNEX B

### STANDARD TERMS FOR NORTH AMERICAN CORPORATES

Business Days	If the Floating Rate Payer Calculation Amount is denominated in	
	USD: London & New York	
	EUR: London, New York & TARGET2	
	GBP: London	
	JPY: London & Tokyo	
	CHF: London & Zurich	
All Guarantees	Not Applicable	
Credit Events	Bankruptcy	
	Failure to Pay	
Grace Period Extension	Not Applicable	
Payment Requirement	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.	
Restructuring		
Restructuring Maturity Limitation and Fully Transferable Obligation	Applicable	
Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation	Not Applicable	
Default Requirement	USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.	
Multiple Holder Obligation	Applicable	
Obligation		
Obligation Category	Borrowed Money	
Obligation Characteristics	None	
Deliverable Obligations		
Deliverable Obligation Category	Bond or Loan	
Deliverable Obligation Characteristics:		
	Not Subordinated	Standard Specified Currencies
	Specified Currency	
	Not Contingent	
	Assignable Loan	
	Consent Required Loan	
	Transferable	
	Maximum Maturity 30 years	
	Not Bearer	
	Exclude Accrued Interest	
Physical Settlement Period	As per Section 8.6 of the Definitions capped at 30 Business Days	

*(only relevant in case  
of CDS  
Confirmation 1)*

Delivery Limitation	Not applicable
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## ANNEX C

### STANDARD TERMS FOR ASIA CORPORATE ENTITIES

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London & New York EUR: London, New York & TARGET2
All Guarantees	Applicable
Credit Events	Bankruptcy Failure to Pay
Grace Period	
Extension	Not Applicable
Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.	
Restructuring	
Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable	
Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable	
Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.	
Multiple Holder Obligation: Applicable	
Obligation	
Obligation Category: Bond or Loan	
Obligation Characteristics:	
Not Subordinated	
Not Sovereign Lender	
Not Domestic Currency	
Not Domestic Issuance	
Not Domestic Law	
Deliverable Obligations	
Deliverable Obligation Category: Bond or Loan	
Deliverable Obligation Characteristics:	
Not Subordinated	
Specified Currency: Standard Specified Currencies	
Not Sovereign Lender	
Not Domestic Law	
Not Contingent	
Not Domestic Issuance	
Assignable Loan	
Transferable	
Maximum Maturity 30 years	
Not Bearer	
Exclude Accrued Interest	
Physical Settlement Period	30 Business Days
<i>(only relevant in case of CDS Confirmation 1)</i>	
Delivery Limitation	Applicable

## ANNEX D

### STANDARD TERMS FOR JAPAN CORPORATE ENTITIES

Business Days	London, Tokyo
	If the Floating Rate Payer Calculation Amount is denominated in
	JPY: London, New York & Tokyo
	USD: London, New York & Tokyo
	EUR: London, New York, Tokyo & TARGET2
All Guarantees	Applicable
Credit Events	
	Bankruptcy
	Failure to Pay

Grace Period Extension: Not Applicable

Payment Requirement: If the Floating Rate Payer Calculation Amount is in JPY, JPY 100,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay. In all other cases USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.

Restructuring

Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable

Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable

Default Requirement: If the Floating Rate Payer Calculation Amount is in JPY, JPY 1,000,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event. In all other cases, USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.

Multiple Holder Obligation: Not Applicable

Obligation

Obligation Category: Borrowed Money

Obligation Characteristics: Not Subordinated

Deliverable Obligations

Deliverable Obligation Category: Bond or Loan

Deliverable Obligation Characteristics:

Not Subordinated

Specified Currency: Standard Specified Currencies

Not Contingent

Assignable Loan

Consent Required Loan

Transferable

Maximum Maturity 30 years

Not Bearer

Exclude Accrued Interest

Physical Settlement Period 30 Business Days

*(only relevant in case of CDS Confirmation 1)*

Delivery Limitation Applicable



## ANNEX E

### STANDARD TERMS FOR AUSTRALIA CORPORATE ENTITIES

Business Days                      If the Floating Rate Payer Calculation Amount is denominated in

USD: London, New York & Sydney  
AUD: London, New York & Sydney  
EUR: London, New York, TARGET2 & Sydney

All Guarantees                      Applicable

Credit Events

Bankruptcy

Failure to Pay

Grace Period Extension: Not Applicable

Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.

Restructuring

Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable

Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable

Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.

Multiple Holder Obligation: Applicable

Obligation

Obligation Category:      Borrowed Money

Obligation Characteristics:                      None

Deliverable Obligations

Deliverable Obligation Category:      Bond or Loan

Deliverable Obligation Characteristics:

Not Subordinated

Specified Currency: Standard Specified Currencies & Domestic Currency

Not Contingent

Assignable Loan

Consent Required Loan

Transferable

Maximum Maturity 30 years

Not Bearer

Exclude Accrued Interest

Physical Settlement Period                      30 Business Days

*(only relevant in case of CDS  
Confirmation 1)*

Delivery Limitation                      Applicable

## ANNEX F

### STANDARD TERMS FOR NEW ZEALAND CORPORATE ENTITIES

Business Days	If the Floating Rate Payer Calculation Amount is denominated in  USD: London, New York & Auckland AUD: London, New York, Sydney & Auckland EUR: London, New York, TARGET2 & Auckland NZD: London, New York & Auckland
All Guarantees	Applicable
Credit Events	Bankruptcy  Failure to Pay
Grace Period Extension:	Not Applicable
Payment Requirement:	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
Restructuring	
Restructuring Maturity Limitation and Fully Transferable Obligation:	Applicable
Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation:	Not Applicable
Default Requirement:	USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
Multiple Holder Obligation:	Applicable
Obligation	
Obligation Category:	Borrowed Money
Obligation Characteristics:	None
Deliverable Obligations	
Deliverable Obligation Category:	Bond or Loan
Deliverable Obligation Characteristics:	
Not Subordinated	
Specified Currency:	Standard Specified Currencies & Domestic Currency
Not Contingent	
Assignable Loan	
Consent Required Loan	
Transferable	
Maximum Maturity	30 years
Not Bearer	
Exclude Accrued Interest	
Physical Settlement Period	30 Business Days
<i>(only relevant in case of CDS Confirmation 1)</i>	
Delivery Limitation	Applicable

## ANNEX G

### STANDARD TERMS FOR SINGAPORE CORPORATE ENTITIES

Business Days                      If the Floating Rate Payer Calculation Amount is denominated in

USD: London, New York & Singapore  
EUR: London, New York, TARGET2 & Singapore

All Guarantees                      Applicable

Credit Events

Bankruptcy

Failure to Pay

Grace Period Extension: Not Applicable

Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.

Restructuring

Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable

Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable

Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.

Multiple Holder Obligation: Applicable

Obligation

Obligation Category:    Bond or Loan

Obligation Characteristics:

Not Subordinated

Specified Currency : Standard Specified Currencies & Domestic Currency

Not Sovereign Lender

Deliverable Obligations

Deliverable Obligation Category:    Bond or Loan

Deliverable Obligation Characteristics:

Not Subordinated

Specified Currency: Standard Specified Currency & Domestic Currency

Not Sovereign Lender

Not Contingent

Assignable Loan

Transferable

Maximum Maturity 30 years

Not Bearer

Exclude Accrued Interest

Physical Settlement Period                      30 Business Days

*(only relevant in case of CDS  
Confirmation 1)*

Delivery Limitation                      Applicable

## ANNEX H

### STANDARD TERMS FOR SUBORDINATED EUROPEAN INSURANCE CORPORATE ENTITIES

Business Days                      If the Floating Rate Payer Calculation Amount is denominated in

USD: London & New York  
EUR: London & TARGET2  
GBP: London  
JPY: London & Tokyo  
CHF: London & Zurich

All Guarantees                      Applicable

Credit Events

Bankruptcy

Failure to Pay

Grace Period Extension: Not Applicable

Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.

Restructuring

Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable

Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable

Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.

Multiple Holder Obligation: Applicable

Obligation

Obligation Category:      Borrowed Money

Obligation Characteristics:                      None

Deliverable Obligations

Deliverable Obligation Category:      Bond or Loan

Deliverable Obligation Characteristics:

Not Subordinated

Specified Currency: Standard Specified Currencies

Not Contingent

Assignable Loan

Consent Required Loan

Transferable

Maximum Maturity 30 years

Not Bearer

Exclude Accrued Interest

Physical Settlement Period                      30 Business Days

*(only relevant in case of CDS  
Confirmation 1)*

Delivery Limitation                      Applicable

## ANNEX I

### STANDARD TERMS FOR LATIN AMERICA CORPORATE B ENTITIES

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London & New York EUR: London, New York & TARGET2
All Guarantees	Applicable
Credit Events	Bankruptcy Failure to Pay
Grace Period Extension:	Applicable
Obligation Acceleration	
Repudiation/Moratorium	
Payment Requirement:	USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.
Restructuring	
Restructuring Maturity Limitation and Fully Transferable Obligation:	Not Applicable
Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation:	Not Applicable
Default Requirement:	USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.
Multiple Holder Obligation:	Not Applicable
Obligation	
Obligation Category:	Bond
Obligation Characteristics:	
Not Subordinated	
Not Domestic Currency	
Not Domestic Law	
Not Domestic Issuance	
Deliverable Obligations	
Deliverable Obligation Category:	Bond
Deliverable Obligation Characteristics:	
Not Subordinated	
Specified Currency:	Standard Specified Currencies
Not Domestic Law	
Not Contingent	
Not Domestic Issuance	
Transferable	
Not Bearer	
Exclude Accrued Interest	
Physical Settlement Period	As per Section 8.6 of the Definitions <i>(only relevant in case of CDS Confirmation 1)</i>
Delivery Limitation	Not Applicable

## ANNEX J

### STANDARD TERMS FOR LATIN AMERICA CORPORATE BL ENTITIES

Business Days                      If the Floating Rate Payer Calculation Amount is denominated in  
  
USD: London & New York  
EUR: London, New York & TARGET2

All Guarantees                      Applicable

Credit Events  
  
Bankruptcy  
Failure to Pay

Grace Period Extension: Applicable  
Obligation Acceleration  
Repudiation/Moratorium

Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.

Restructuring

Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable

Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable

Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.

Multiple Holder Obligation: Applicable

Obligation

Obligation Category:    Bond or Loan

Obligation Characteristics:

Not Subordinated  
Not Sovereign Lender  
Not Domestic Currency  
Not Domestic Law  
Not Domestic Issuance

Deliverable Obligations

Deliverable Obligation Category:    Bond or Loan

Deliverable Obligation Characteristics:

Not Subordinated  
Specified Currency: Standard Specified Currencies  
Not Sovereign Lender  
Not Domestic Law  
Not Contingent  
Not Domestic Issuance  
Assignable Loan  
Consent Required Loan  
Transferable  
Not Bearer

Exclude Accrued Interest

Physical Settlement Period	As per Section 8.6 of the Definitions
<i>(only relevant in case of CDS Confirmation 1)</i>	
Delivery Limitation	Not Applicable

## ANNEX K

### STANDARD TERMS FOR EMERGING EUROPEAN CORPORATE LPN ENTITIES

Business Days	If the Floating Rate Payer Calculation Amount is denominated in
	USD: London, New York, & the principal financial city in the jurisdiction in which the principal place of business of the Reference Entity is located EUR: London, TARGET2, & the principal financial city in the jurisdiction in which the principal place of business of the Reference Entity is located
All Guarantees	Applicable
Credit Events	<p>Bankruptcy</p> <p>Failure to Pay</p> <p>Grace Period Extension: Applicable</p> <p>Obligation Acceleration</p> <p>Repudiation/Moratorium</p> <p>Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.</p> <p>Restructuring</p> <p>Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable</p> <p>Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</p> <p>Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.</p> <p>Multiple Holder Obligation: (i) Not Applicable with respect to Obligation Category "<i>Bonds</i>" (ii) Applicable with respect to Obligation Category "<i>Loans</i>"</p>
Obligation	<p>Obligation Category: Bond or Loan</p> <p>Obligation Characteristics:</p> <p>Not Subordinated</p> <p>Not Domestic Currency</p> <p>Not Domestic Law</p> <p>Not Domestic Issuance</p>
Deliverable Obligations	<p>Deliverable Obligation Category: Bond or Loan</p> <p>Deliverable Obligation Characteristics:</p> <p>Not Subordinated</p> <p>Specified Currency: Standard Specified Currencies</p> <p>Not Domestic Issuance</p> <p>Not Contingent</p> <p>Transferable</p> <p>Not Bearer</p> <p>Assignable Loan</p> <p>Consent Required Loan</p> <p>Not Domestic Law</p> <p>Exclude Accrued Interest</p> <p>Physical Settlement Period As per Section 8.6 of the Definitions</p> <p><i>(only relevant in case of CDS Confirmation 1)</i></p>
Delivery Limitation	Not Applicable
Additional provisions	Additional Provisions for LPN Reference Entities (published on October 3, 2006).



## ANNEX L

### STANDARD TERMS FOR EMERGING EUROPEAN CORPORATE ENTITIES

Business Days	If the Floating Rate Payer Calculation Amount is denominated in  USD: London, New York EUR: London, TARGET2
All Guarantees	Applicable
Credit Events	<p>Bankruptcy</p> <p>Failure to Pay</p> <p>Grace Period Extension: Applicable</p> <p>Obligation Acceleration</p> <p>Repudiation/Moratorium</p> <p>Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.</p> <p>Restructuring</p> <p>Restructuring Maturity Limitation and Fully Transferable Obligation: Not Applicable</p> <p>Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</p> <p>Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.</p> <p>Multiple Holder Obligation: (i) Not Applicable with respect to Obligation Category "Bonds" (ii) Applicable with respect to Obligation Category "Loans"</p>
Obligation	<p>Obligation Category: Bond or Loan</p> <p>Obligation Characteristics:</p> <p>Not Subordinated</p> <p>Not Domestic Law</p> <p>Not Domestic Currency</p> <p>Not Domestic Issuance</p>
Deliverable Obligations	<p>Deliverable Obligation Category: Bond or Loan</p> <p>Deliverable Obligation Characteristics:</p> <p>Not Subordinated</p> <p>Specified Currency: Standard Specified Currencies</p> <p>Not Domestic Issuance</p> <p>Not Contingent</p> <p>Transferable</p> <p>Not Bearer</p> <p>Assignable Loan</p> <p>Consent Required Loan</p> <p>Not Domestic Law</p>
	Exclude Accrued Interest
	Physical Settlement Period As per Section 8.6 of the Definitions
<i>(only relevant in case of CDS Confirmation 1)</i>	
Delivery Limitation	Not Applicable

## ANNEX M

### STANDARD TERMS FOR ASIA SOVEREIGNS

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London & New York EUR: London, New York & TARGET2
All Guarantees	Applicable
Credit Events	
Failure to Pay	
Grace Period Extension:	Not Applicable
Repudiation/Moratorium	
Restructuring	
Restructuring Maturity Limitation and Fully Transferable Obligation:	Not applicable
Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation:	Not Applicable
Multiple Holder Obligation:	Applicable
Obligation	
Obligation Category:	Bond or Loan
Obligation Characteristics:	
Not Subordinated	
Not Sovereign Lender	
Not Domestic Currency	
Not Domestic Law	
Not Domestic Issuance	
Deliverable Obligations	
Deliverable Obligation Category:	Bond or Loan
Deliverable Obligation Characteristics:	
Not Subordinated	
Specified Currency:	Standard Specified Currencies
Not Sovereign Lender	
Not Domestic Law	
Not Contingent	
Not Domestic Issuance	
Assignable Loan	
Transferable	
Maximum Maturity:	30 years
Not Bearer	
Exclude Accrued Interest	
Physical Settlement Period	30 Business Days.
	<i>(only relevant in case of CDS Confirmation 1)</i>
Delivery Limitation	Applicable

## ANNEX N

### STANDARD TERMS FOR EMERGING EUROPEAN AND MIDDLE EASTERN SOVEREIGNS

Business Days	If the Floating Rate Payer Calculation Amount is denominated in  USD: London & New York EUR: London & TARGET2 GBP: London
All Guarantees	Applicable
Credit Events	 Failure to Pay  Grace Period Extension: Applicable  Obligation Acceleration  Repudiation/Moratorium  Restructuring  Restructuring Maturity Limitation and Fully Transferable Obligation: Not applicable  Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable  Multiple Holder Obligation: Not Applicable
Obligation	
Obligation Category:	Bond
Obligation Characteristics:	
Not Subordinated	
Not Domestic Currency	
Not Domestic Law	
Not Domestic Issuance	
Deliverable Obligations	
Deliverable Obligation Category:	Bond
Deliverable Obligation Characteristics:	
Not Subordinated	
	Specified Currency: Standard Specified Currencies
	Not Domestic Law
	Not Contingent
	Not Domestic Issuance
	Transferable
	Not Bearer
	Exclude Accrued Interest
Physical Settlement Period	As per Section 8.6 of the Definitions  (only relevant in case of CDS Confirmation 1)
Delivery Limitation	Not Applicable
Additional Provisions	If the Reference Entity is the Russian Federation, the "Additional Provisions for the Russian Federation" (published on August 13, 2004). If the Reference Entity is the Republic of Hungary, the "Additional Provisions for the Republic of Hungary" (published on February 14, 2005)

## ANNEX O

### STANDARD TERMS FOR JAPAN SOVEREIGNS

Business Days                      If the Floating Rate Payer Calculation Amount is denominated in

JPY: London, New York & Tokyo  
USD: London, New York & Tokyo  
EUR: London, New York, Tokyo & TARGET2

All Guarantees                      Applicable

Credit Events

Failure to Pay

Grace Period Extension: Not Applicable

Payment Requirement: If the Floating Rate Payer Calculation Amount is in JPY, JPY 100,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay. In all other cases, USD 1,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Failure to Pay.

Repudiation/Moratorium

Restructuring

Restructuring Maturity Limitation and Fully Transferable Obligation: Not applicable

Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable

Default Requirement: If the Floating Rate Payer Calculation Amount is in JPY, JPY 1,000,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event. In all other cases USD 10,000,000 or its equivalent in the relevant Obligation Currency as of the occurrence of the relevant Credit Event.

Multiple Holder Obligation: Not Applicable

Obligation

Obligation Category:      Borrowed Money

Obligation Characteristics:                      None

Deliverable Obligations

Deliverable Obligation Category:      Bond or Loan

Deliverable Obligation Characteristics:

Specified Currency: Standard Specified Currencies

Not Contingent

Consent Required Loan

Assignable Loan

Transferable

Maximum Maturity: 30 years

Not Bearer

Exclude Accrued Interest

Physical Settlement Period                      30 Business Days.

*(only relevant in case of CDS Confirmation 1)*

Delivery Limitation                      Applicable

## ANNEX P

### STANDARD TERMS FOR AUSTRALIA SOVEREIGNS

Business Days	If the Floating Rate Payer Calculation Amount is denominated in  USD: London, New York & Sydney EUR: London, New York, Sydney & TARGET2
All Guarantees	Applicable
Credit Events	 Failure to Pay
Grace Period	
Extension	Not Applicable
Repudiation/Moratorium	
Restructuring	
Restructuring Maturity Limitation and Fully Transferable Obligation:	Applicable
Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation:	Not Applicable
Multiple Holder Obligation:	Applicable
Obligation	
	Obligation Category: Borrowed Money
	Obligation Characteristics: None
Deliverable Obligations	
	Deliverable Obligation Category: Bond or Loan
	Deliverable Obligation Characteristics:
	Not Subordinated
	Specified Currency: Specified Currencies & Domestic Currency
	Not Contingent
	Assignable Loan
	Consent Required Loan
	Transferable
	Maximum Maturity: 30 years
	Not Bearer
	Exclude Accrued Interest
Physical Settlement Period	30 Business Days.
<i>(only relevant in case of CDS Confirmation 1)</i>	
Delivery Limitation	Applicable

## ANNEX Q

### STANDARD TERMS FOR NEW ZEALAND SOVEREIGNS

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London, New York & Auckland EUR: London, New York, Auckland & TARGET2
All Guarantees	Applicable
Credit Events	Failure to Pay
Grace Period Extension	Not Applicable
Repudiation/Moratorium	
Restructuring	
Restructuring Maturity	
Limitation and Fully Transferable Obligation	Applicable
Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable	
Multiple Holder Obligation	Applicable
Obligation	
Obligation Category	Borrowed Money
Obligation	
Characteristics	None
Deliverable Obligations	
Deliverable Obligation Category	Bond or Loan
Deliverable Obligation Characteristics	Not Subordinated Specified Currency: Standard Specified Currencies & Domestic Currency Not Contingent Assignable Loan Consent Required Loan Transferable Maximum Maturity: 30 years Not Bearer Exclude Accrued Interest
Physical Settlement Period	30 Business Days.
<i>(only relevant in case of CDS Confirmation 1)</i>	
Delivery Limitation	Applicable

## ANNEX R

### STANDARD TERMS FOR SINGAPORE SOVEREIGNS

Business Days	If the Floating Rate Payer Calculation Amount is denominated in  SGD: London, New York & Singapore USD: London, New York & Singapore EUR: London, New York, Singapore & TARGET2
All Guarantees	Applicable
Credit Events	<p>Failure to Pay</p> <p>Grace Period Extension: Not Applicable</p> <p>Repudiation/Moratorium</p> <p>Restructuring</p> <p>Restructuring Maturity Limitation and Fully Transferable Obligation: Not applicable</p> <p>Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</p> <p>Multiple Holder Obligation: Applicable</p>
Obligation	<p>Obligation Category: Bond or Loan</p> <p>Obligation Characteristics:</p> <p>Not Subordinated</p> <p>Specified Currency: Standard Specified Currencies &amp; Domestic Currency</p> <p>Not Sovereign Lender</p>
Deliverable Obligations	<p>Deliverable Obligation Category: Bond or Loan</p> <p>Deliverable Obligation Characteristics:</p> <p>Not Subordinated</p> <p>Specified Currency: Standard Specified Currencies &amp; Domestic Currency</p> <p>Not Sovereign Lender</p> <p>Not Contingent</p> <p>Assignable Loan</p> <p>Transferable</p> <p>Maximum Maturity: 30 years</p> <p>Not Bearer</p> <p>Exclude Accrued Interest</p>
Physical Settlement Period	30 Business Days.
<i>(only relevant in case of CDS Confirmation 1)</i>	
Delivery Limitation	Applicable

## ANNEX S

### STANDARD TERMS FOR LATIN AMERICA SOVEREIGNS

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London & New York EUR: London, New York & TARGET2
All Guarantees	Applicable
Credit Events	<ul style="list-style-type: none"><li>Failure to Pay</li><li>Grace Period Extension: Applicable</li><li>Obligation Acceleration</li><li>Repudiation/Moratorium</li><li>Restructuring</li><li>Restructuring Maturity Limitation and Fully Transferable Obligation: Not applicable</li><li>Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</li><li>Multiple Holder Obligation: Not Applicable</li></ul>
Obligation	<ul style="list-style-type: none"><li>Obligation Category: Bond</li><li>Obligation Characteristics:<ul style="list-style-type: none"><li>Not Subordinated</li><li>Not Domestic Currency</li><li>Not Domestic Law</li><li>Not Domestic Issuance</li></ul></li></ul>
Deliverable Obligations	<ul style="list-style-type: none"><li>Deliverable Obligation Category: Bond</li><li>Deliverable Obligation Characteristics:<ul style="list-style-type: none"><li>Not Subordinated</li><li>Specified Currency: Standard Specified Currencies</li><li>Not Domestic Law</li><li>Not Contingent</li><li>Not Domestic Issuance</li><li>Transferable</li><li>Not Bearer</li></ul></li><li>Exclude Accrued Interest</li></ul>
Physical Settlement Period	As per section 8.6 of the Definitions.
<i>(only relevant in case of CDS Confirmation 1)</i>	
Delivery Limitation	Not Applicable



## ANNEX T

### STANDARD TERMS FOR WESTERN EUROPEAN SOVEREIGNS

Business Days	If the Floating Rate Payer Calculation Amount is denominated in USD: London & New York EUR: London & TARGET2
All Guarantees	Applicable
Credit Events	<ul style="list-style-type: none"><li>Failure to Pay</li><li>Grace Period Extension: Not Applicable</li><li>Repudiation/Moratorium</li><li>Restructuring</li><li>Restructuring Maturity Limitation and Fully Transferable Obligation: Not applicable</li><li>Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Not Applicable</li><li>Multiple Holder Obligation: Applicable</li></ul>
Obligation	<ul style="list-style-type: none"><li>Obligation Category: Borrowed Money</li><li>Obligation Characteristics: None</li></ul>
Deliverable Obligations	<ul style="list-style-type: none"><li>Deliverable Obligation Category: Bond or Loan</li><li>Deliverable Obligation Characteristics:<ul style="list-style-type: none"><li>Specified Currency: Standard Specified Currencies</li><li>Not Contingent</li><li>Assignable Loan</li><li>Consent Required Loan</li><li>Transferable</li><li>Maximum Maturity: 30 years</li><li>Not Bearer</li></ul></li></ul>
	Exclude Accrued Interest
Physical Settlement Period	30 Business Days.
<i>(only relevant in case of CDS Confirmation 1)</i>	
Delivery Limitation	Applicable

## SCHEDULE 11: INFLATION-LINKED NOTES

The terms and conditions applicable to Inflation Linked Notes shall comprise the Conditions of Medium Term Notes set out in Section 1 above (the “**Principal Conditions**”) and the additional Conditions set out below (the “**Inflation Linked Conditions**”), in each case subject to completion and/or amendment in the applicable Final Terms. In the event of any inconsistency between the Principal Conditions and the Inflation Linked Conditions set out below, the Inflation Linked Conditions set out below shall prevail. In the event of any inconsistency between (i) the Principal Conditions and/or the Inflation Linked Conditions and (ii) the Final Terms, the Final Terms shall prevail.

### 1. Final Redemption

Subject to any applicable automatic redemption and/or early redemption and/or put options and/or call options set forth in the applicable Final Terms not having occurred prior to the Maturity Date or any other applicable date specified in the Final Terms, for the purposes of Principal Condition 5(a) the Final Redemption Amount payable per Note on the Maturity Date (subject to the provisions of Principal Conditions 5(l), 5(m) and 5(n)) shall be an amount in the Specified Currency determined by the Calculation Agent in accordance with the formula specified in the applicable Final Terms.

### 2. Definitions

“**Averaging Date(s)**” means, if Averaging Dates is specified as applicable in the applicable Final Terms, each of the dates specified as such in the applicable Final Terms, subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

“**AUD – Non-revised Consumer Price Index (CPI)**” means the “*Non-revised Index of Consumer Prices for Weighted Average of Eight Capital Cities: All – Groups Index before Seasonal Adjustment*”, or relevant Successor Index, measuring the rate of inflation in Australia, expressed as an index and published by the relevant Index Sponsor.

“**Base Level**” means the Index Level (whether definitive or provisional) published or announced by the Index Sponsor in respect of the month which is 12 calendar months prior to the Reference Month for which the Substitute Index Level is being determined.

“**BLG – Non-revised Harmonised Consumer Price Index (HICP)**” means the “*Non-revised Harmonised Index of Consumer Prices*”, or relevant Successor Index, measuring the rate of inflation in Belgium, expressed as an index and published by the relevant Index Sponsor.

“**BRL – Non-revised Consumer Price Index (IPCA)**” means the “*Non-revised Extensive National Consumer Price Index*”, or relevant Successor Index, measuring the rate of inflation in Brazil, expressed as an index and published by the relevant Index Sponsor.

“**BRL – Non-revised Price Index (IGP-M)**” means the “*IGP-M General Price Index*”, or relevant Successor Index, measuring the rate of inflation in Brazil, expressed as an index and published by the relevant Index Sponsor.

“**CAD – Non-revised Consumer Price Index (CPI)**” means the “*Non-revised Index of Consumer Prices*”, or relevant Successor Index, measuring the rate of inflation in Canada, expressed as an index and published by the relevant Index Sponsor.

“**Change in Law**” means that, on or after the earlier of the Strike Date and Issue Date, as applicable, (or as otherwise set forth in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that it will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

“**Cut-Off Date**” means, in respect of a Determination Date, the number of Business Days specified in the applicable Final Terms prior to such Determination Date.

“**DEK – Non-revised Consumer Price Index (CPI)**” means the “*Non-revised Index of Consumer Prices*”, or relevant Successor Index, measuring the rate of inflation in Denmark, expressed as an index and published by the relevant Index Sponsor.

“**Delayed Index Level Event**” means, in respect of any Determination Date, that the Index Sponsor fails to publish or announce the level of the Index (the “**Relevant Level**”) in respect of any Reference Month which is to be utilised in any calculation or determination to be made by the Issuer in respect of such Determination Date, at any time prior to the Cut-Off Date.

**“DEM – Non-revised Consumer Price Index (CPI)”** means the “*Non-revised All Items Index of Consumer Prices*”, or relevant Successor Index, measuring the rate of inflation in Germany, expressed as an index and published by the relevant Index Sponsor.

**“Determination Date”** means the Strike Date, the Expiration Date, any Averaging Date, any Observation Date, the Maturity Date or any other date designated in the applicable Final Terms.

**“ESP – Harmonised-Non-revised Consumer Price Index (HCPI)”** means the “Non-revised Harmonised Index of Consumer Prices including Tobacco”, or relevant Successor Index, measuring the rate of inflation in Spain expressed as an index and published by the relevant Index Sponsor.

**“ESP – Harmonised-Revised Consumer Price Index (HCPI)”** means the Harmonised Index of Consumer Prices including Tobacco”, or relevant Successor Index, measuring the rate of inflation in Spain expressed as an index and published by the relevant Index Sponsor.

**“ESP – National-Non-revised Consumer Price Index (CPI)”** means the “*Non-revised Index of Consumer Prices including Tobacco*”, or relevant Successor Index, measuring the rate of inflation in Spain expressed as an index and published by the relevant Index Sponsor.

**“ESP – National-Revised Consumer Price Index (CPI)”** means the “*Year on Year Revised Index of Consumer Prices*”, or relevant Successor Index, measuring the rate of inflation in Spain, expressed as an annual percentage and published by the relevant Index Sponsor.

**“EUR – All Items-Non-revised Consumer Price Index”** means the “*Non-revised Harmonised Index of Consumer Prices All Items*”, or relevant Successor Index, measuring the rate of inflation in the European Monetary Union expressed as an index and published by the relevant Index Sponsor.

**“EUR – All Items-Revised Consumer Price Index”** means the “*Revised Harmonised Index of Consumer Prices All Items*”, or relevant Successor Index, measuring the rate of inflation in the European Monetary Union expressed as an index and published by the relevant Index Sponsor.

**“EUR – Excluding Tobacco-Non-revised Consumer Price Index”** means the “*Non-revised Index of Consumer Prices excluding Tobacco*”, or relevant Successor Index, measuring the rate of inflation in the European Monetary Union excluding tobacco, expressed as an index and published by the relevant Index Sponsor.

**“Expiration Date”** means the date specified as such in the applicable Final Terms, subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

**“FRC – Excluding Tobacco-Non-Revised Consumer Price Index”** means the “*Non-revised Index of Consumer Prices excluding Tobacco*”, or relevant Successor Index, measuring the rate of inflation in France excluding tobacco expressed as an index and published by the relevant Index Sponsor.

**“GBP – Non-revised Retail Price Index (UKRPI)”** means the “*Non-revised Retail Price Index in the United Kingdom*”, or relevant Successor Index, measuring the rate of inflation in the United Kingdom expressed as an index and published by the relevant Index Sponsor.

**“GRD – Harmonised-Non-revised Consumer Price Index (HICP)”** means the “*Non-revised Harmonised Index of Consumer Prices*”, or relevant Successor Index, measuring the rate of inflation in Greece expressed as an index and published by the relevant Index Sponsor.

**“GRD – Non-revised Consumer Price Index (CPI)”** means the “*Non-revised Index of Consumer Prices*”, or relevant Successor Index, measuring the rate of inflation in Greece expressed as an index and published by the relevant Index Sponsor.

**“Index”** means the index specified in the applicable Final Terms, or any Successor Index.

**“Index Cancellation”** means a level for the Index has not been published or announced for two consecutive months and/or the Index Sponsor cancels the Index and/or the Index Sponsor announces that it will no longer continue to publish or announce the Index and no Successor Index exists.

**“Index Level”** means the level of the Index or any Substitute Index Level.

**“Index Modification”** means the Index Sponsor announces that it will make (in the opinion of the Issuer) a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index.

**“Index Sponsor”** means either (x) the index sponsor specified in the Final Terms or such other corporation or entity as determined by the Calculation Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of the Index failing whom such person acceptable to the Calculation Agent who calculates and announces the Index or any agent or person acting on behalf of such person or (y) if no such index sponsor is specified in the Final Terms, then the corporation or entity as determined by the Calculation

Agent that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of the Index failing whom such person acceptable to the Calculation Agent who calculates and announces the Index or any agent or person acting on behalf of such person.

**“IRL – Non-revised Consumer Price Index (CPI)”** means the “*Consumer Price Index-All Items*”, or relevant Successor Index, measuring the rate of inflation in Ireland, expressed as an index and published by the relevant Index Sponsor.

**“ISK – Harmonised Consumer Price Index (HICP)”** means the “*Non-revised Harmonised Index of Consumer Prices*”, or relevant Successor Index, measuring the rate of inflation in Iceland, expressed as an index and published by the relevant Index Sponsor.

**“ISK – Non-revised Consumer Price Index (CPI)”** means the “*Non-revised Consumer Price Index*”, or relevant Successor Index, measuring the rate of inflation in Iceland, expressed as an index and published by the relevant Index Sponsor.

**“ITL – Inflation for Blue Collar Workers and Employees-Excluding Tobacco Consumer Price Index”** means the “*Indice dei prezzi al consumo per famiglie di operai e impiegati (FOI) senza tabacchi*”, or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Index Sponsor.

**“ITL – Inflation for Blue Collar Workers and Employees-Including Tobacco Consumer Price Index”** means the “*Indice dei prezzi al consumo per famiglie di operai e impiegati (FOI) con tabacchi*”, or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Index Sponsor.

**“ITL – Whole Community – Excluding Tobacco Consumer Price Index”** means the “*Indice nazionale dei prezzi al consumo per l'intera collettività (NIC) senza tabacchi*” or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Index Sponsor.

**“ITL – Whole Community – Including Tobacco Consumer Price Index”** means the “*Indice nazionale dei prezzi al consumo per l'intera collettività (NIC) con tabacchi*”, or relevant Successor Index, measuring the rate of inflation in Italy expressed as an index and published by the relevant Index Sponsor..

**“JPY – Non-revised Consumer Price Index Nationwide General Excluding Fresh Food (CPI)”** means the “*Non-revised Consumer Price Index Nationwide General Excluding Fresh Food*”, or relevant Successor Index, measuring the rate of inflation excluding fresh food in Japan, expressed as an index and published by the relevant Index Sponsor.

**“KRW – Non-revised Consumer Price Index (CPI)”** means the “*Non-revised Consumer Price Index*”, or relevant Successor Index, measuring the rate of inflation in South Korea, expressed as an index and published by the relevant Index Sponsor.

**“Latest Level”** means the latest Index Level (whether definitive or provisional) published or announced by the Index Sponsor prior to the Reference Month in respect of which the Substitute Index Level is being determined.

**“MXN – Non-revised Consumer Price Index (CPI)”** means the “*Non-revised Consumer Price Index*”, or relevant Successor Index, measuring the rate of inflation in Mexico, expressed as an index and published by the relevant Index Sponsor.

**“MXN – Unidad de Inversion Index (UDI)”** means the “*Unidad de Inversion Index*”, or relevant Successor Index, reporting the daily peso value of an Unidad de Inversion (an “UDI”), expressed as an index and published by the relevant Index Sponsor.

**“NLG – Harmonised-Non-revised Consumer Price Index (HICP)”** means the “*Non-revised Harmonised Index of Consumer Prices*”, or relevant Successor Index, measuring the rate of inflation in the Netherlands, expressed as an index and published by the relevant Index Sponsor.

**“NZD – Non-revised Consumer Price Index (CPI)”** means the “*Non-revised Consumer Price Index*”, or relevant Successor Index, measuring the rate of inflation in New Zealand, expressed as an index and published by the relevant Index Sponsor.

**“Observation Date”** means, if specified as applicable in the applicable Final Terms, each date, if any, set forth in the applicable Final Terms, subject to adjustment in accordance with the Business Day Convention specified in the applicable Final Terms.

**“Observation Period”** has the meaning ascribed to it in the applicable Final Terms.

**“PLN – Non-revised Consumer Price Index (CPI)”** means the *“Non-revised Price Indices of Consumer Goods and Services”*, or relevant Successor Index, measuring the rate of inflation in Poland, expressed as an index and published by the relevant Index Sponsor.

**“Rebased Index”** has the meaning given to it in Principal Condition 5(k)(v).

**“Reference Level”** means the Index Level (whether definitive or provisional) published or announced by the Index Sponsor in respect of the Reference Month that is 12 calendar months prior to the Reference Month in respect of the Latest Level.

**“Reference Month”** means the calendar month for which the level of the Index was reported, regardless of when this information is published or announced. If the period for which the Index Level was reported is a period other than a month, the Reference Month shall be the period for which the Index Level was reported.

**“Related Bond”** means, if specified as applicable in the applicable Final Terms, means the bond specified as such in the applicable Final Terms.

**“Related Bond Redemption Event”** means, if specified as applicable in the applicable Final Terms, at any time prior to the Maturity Date, (i) the Related Bond is redeemed, repurchased or cancelled, (ii) the Related Bond becomes repayable prior to its stated date of maturity for whatever reason, or (iii) the issuer of the Related Bond announces that the Related Bond will be redeemed, repurchased or cancelled prior to its stated date of maturity.

**“Relevant Level”** has the meaning given to it in the definition of Delayed Index Level Event.

**“SEK – Non-revised Consumer Price Index (CPI)”** means the *“Non-revised Index of Consumer Prices”*, or relevant Successor Index, measuring the rate of inflation in Sweden, expressed as an index and published by the relevant Index Sponsor.

**“Strike Price”** means the value (if any) specified as such in the Final Terms.

**“Successor Index”** has the meaning given to it in Principal Condition 5(m).

**“Substitute Index Level”** means, in respect of a Delayed Index Level Event, the index level determined by the Issuer in accordance with Condition (j).

**“USA – Non-revised Consumer Price Index – Urban (CPI-U)”** means the *“Non-revised index of Consumer Prices for All Urban Consumers (CPI-U) before seasonal adjustment”*, or relevant Successor Index, measuring the rate of inflation in the United States expressed as an index and published by the relevant Index Sponsor.

**“ZAR – Non-revised Consumer Price Index (CPI)”** means the *“Non-revised Index of Consumer Prices”*, or relevant Successor Index, measuring the rate of inflation in South Africa, expressed as an index and published by the relevant Index Sponsor.

**“ZAR – Non-revised Consumer Price Index Excluding Mortgages (CPIX)”** means the *“Non-revised Index of Consumer Prices excluding Mortgage”*, or relevant Successor Index, measuring the rate of inflation excluding mortgages in South Africa, expressed as an index and published by the relevant Index Sponsor.

### 3. Delay in Publication

For the purposes of the Notes, Principal Condition 5 (*Redemption and Purchase*) shall be amended by the addition of a new Principal Condition 5(l) as follows:

#### **“(l) Delay in Publication**

If the Calculation Agent determines that a Delayed Index Level Event has occurred with respect to any Determination Date, then the Index Level with respect to any Reference Month which is to be utilised in any calculation or determination to be made by the Calculation Agent and/or the Issuer with respect to such Determination Date (the “Substitute Index Level”) shall be determined by the Calculation Agent (subject to Condition 5(m)(ii)) as follows:

- (i) if Related Bond is specified as applicable in the applicable Final Terms, the Calculation Agent shall determine the Substitute Index Level by reference to the corresponding index level determined under the terms and conditions of the Related Bond; or
- (ii) if (I) Related Bond is specified as not applicable in the applicable Final Terms, or (II) the Calculation Agent is not able to determine a Substitute Index Level under (i) above, the Calculation Agent shall determine the Substitute Index Level by reference to the following formula:

Substitute Index Level = Base Level x (Latest Level/Reference Level); or

in accordance with any formula specified in the applicable Final Terms.

The Issuer shall promptly give notice to the holders of the Notes in accordance with Principal Condition 13 (*Notices*) of any Substitute Index Level.”

#### 4. **Successor Index**

For the purposes of the Notes, Principal Condition 5 (*Redemption and Purchase*) shall be amended by the addition of a new Principal Condition 5(n) as follows:

**"(n)**

##### ***Successor Index***

If the Calculation Agent determines that the level of an Index is not calculated and announced by the Index Sponsor for two consecutive months and/or the Index Sponsor announces that it will no longer continue to publish or announce the Index and/or the Index Sponsor cancels the Index then the Calculation Agent shall determine a successor index (a **"Successor Index"**) (in lieu of any previously applicable Index) for the purposes of the Notes as follows:

- (i) if the Index Sponsor announces that it will no longer publish or announce the Index but that it will be superseded by a replacement Index specified by the Index Sponsor, and the Calculation Agent determines that such replacement Index is calculated using the same or a substantially similar formula or method of calculation as used in the calculation of the Index, such replacement index shall be designated a *"Successor Index"*;
- (ii) if (i) above does not apply and if Related Bond is specified as applicable in the Final Terms, the successor index (if any) designated pursuant to the terms and conditions of the Related Bond and such successor index shall be designated a *"Successor Index"*; or
- (iii) if (i) above does apply and if Related Bond is specified as not applicable in the Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent shall determine an appropriate alternative index and such index will be deemed a *"Successor Index"*; or
- (iv) if the Calculation Agent determines that neither (i), (ii) nor (iii) above apply, there will be deemed to be no Successor Index and an Index Cancellation will be deemed to have occurred.

For the avoidance of doubt, the Calculation Agent shall determine the date on which the Successor Index shall be deemed to replace the Index for the purposes of the Notes. Notice of the determination of a Successor Index, the effective date of the Successor Index or the occurrence of an Index Cancellation will be given to holders of the Notes by the Issuer in accordance with Condition 13 (*Notices*)”.

#### 5. **Adjustments**

For the purposes of the Notes, Principal Condition 5 (*Redemption and Purchase*) shall be amended by the addition of a new Principal Condition 5(m) as follows:

##### ***Adjustments and Currency***

- (m)** (i) Successor Index

If a Successor Index is determined in accordance with Condition 5(n), the Issuer may make any adjustment or adjustments (without limitation) to the final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes as the Calculation Agent deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 13 (*Notices*).

- (ii) Substitute Index Level

If the Calculation Agent determines a Substitute Index Level in accordance with Condition 5(n), the Issuer may make any adjustment or adjustments (without limitation) to (m) the Substitute Index Level determined in accordance with Condition 5(i) and/or (ii) the Final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes, in each case, as the Calculation Agent deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 13 (*Notices*).

- (iii) Index Level Adjustment Correction

- (a) The first publication or announcement of the Index Level (disregarding estimates) by the Index Sponsor for any Reference Month shall be final and conclusive and, subject to Condition 5(m)(iii)(b) below, later revisions to the level for such Reference Month will not be used in any calculations, save that in respect of the EUR-All Items-Revised Consumer Price Index, the ESP-National-Revised Consumer Price Index (CPI) and the ESP-Harmonised-Revised Consumer Price Index HCPI, revisions to the Index Level which are published or announced up to and including the day that is two Business Days prior to any relevant Determination Date will be valid and the revised Index Level for the relevant Reference Month will be deemed to be the final and conclusive Index Level for such Reference Month. The Issuer shall give notice to the holders of the Notes of any valid revision in accordance with Condition 13 (*Notices*).
- (b) If, within thirty days of publication or at any time prior to a Determination Date in respect of which an Index Level will be used in any calculation or determination in respect of such Determination Date, the Calculation Agent determines that the Index Sponsor has corrected the Index Level to correct an error which the Calculation Agent determines is material, the Issuer may make any adjustment to the Final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes as the Calculation Agent deems appropriate as a result of such correction and/or determine the amount (if any) that is payable as a result of that correction. The Issuer shall give notice to the holders of the Notes of any such adjustment and/or amount in accordance with Condition 13 (*Notices*).
- (c) If a Relevant Level is published or announced at any time after the Cut-Off Date in respect of a Determination Date in respect of which a Substitute Index Level was determined, the Calculation Agent may either (i) determine that such Relevant Level shall not be used in any calculation or determination under the Notes and that the Substitute Index Level shall be deemed to be the definitive Index Level for the relevant Reference Month, or (ii) request the Issuer to make any adjustment to the Final Redemption Amount, interest payable under the Notes (if any) and/or any other relevant term of the Notes as it deems appropriate as a result of the announcement or publication of the Relevant Level and/or determine the amount (if any) that is payable as a result of such publication or announcement. The Issuer shall give notice to the holders of the Notes of any determination in respect of (i) or (ii), together with any adjustment or amount in respect thereof, in accordance with Condition 13 (*Notices*).
- (iv) **Currency**
- If the Calculation Agent determines that any event occurs affecting the Specified Currency (whether relating to its convertibility into other currencies or otherwise) which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, Strike Price and/or any other relevant term of the Notes (including the date on which any amount is payable by the Issuer), the Issuer may make such adjustment or adjustments to the Final Redemption Amount, Strike Price and/or any other relevant term of the Notes as the Calculation Agent deems necessary. The Issuer shall give notice to the holders of the Notes of any such adjustment in accordance with Condition 13 (*Notices*).
- (v) **Rebasing**

If the Calculation Agent determines that the Index has been or will be rebased at any time, the Index as so rebased (the “**Rebased Index**”) will be used for purposes of determining the Index Level from the date of such rebasing; provided, however, that the Issuer may make (i) if Related Bond is specified as applicable in the applicable Final Terms, any adjustments as are made pursuant to the terms and conditions of the Related Bond, if any, to the past levels of the Rebased Index so that the Rebased Index levels prior to the date of rebasing reflect the same rate of inflation as before the rebasing, and/or (ii) if Related Bond is specified as not applicable in the applicable Final Terms or a Related Bond Redemption Event has occurred, the Calculation Agent may make adjustments to the past levels of the Rebased Index so that the Rebased Index levels prior to the date of rebasing reflect the same rate of inflation as the Index before it was rebased, and in each case the Issuer may make any adjustment(s) to the Final Redemption Amount, interest payable under the Notes (if any) and/or any other term of the Notes as the Calculation Agent may deem necessary. If the Calculation Agent determines that neither (i) nor (ii) above would produce a commercially reasonable result, the Issuer may redeem each Note on a date notified by the Issuer to Noteholders in accordance with Condition 13 (*Notices*) at its fair economic value as determined by the Calculation Agent (unless otherwise provided in the applicable Final Terms) as at the date of redemption taking into account the rebasing, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the applicable Final Terms). Notice of any adjustment, redemption of the Notes or determination pursuant to this Inflation Linked Condition shall be given to Noteholders in accordance with Condition 13 (*Notices*).

(vi) Index Modification

(a) If, on or prior to the Cut-Off Date in respect of any Determination Date, the Calculation Agent determines that an Index Modification has occurred the Issuer may (i) if Related Bond is specified as applicable in the applicable Final Terms, make any adjustments to the Index, any Index Level and/or any other relevant term of the Notes (including, without limitation, the Final Redemption Amount and/or interest payable under the Notes (if any)), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary, or (iii) if Related Bond is specified as not applicable in the Final Terms or a Related Bond Redemption Event has occurred, make only those adjustments to the Index, any Index Level and/or any other term of the Notes (including, without limitation, the Final Redemption Amount and/or interest payable under the Notes (if any)), as the Calculation Agent deems necessary for the modified Index to continue as the Index and to account for the economic effect of the Index Modification.

(b) If the Calculation Agent determines that an Index Modification has occurred at any time after the Cut-Off Date in respect of any Determination Date, the Issuer may determine either to ignore such Index Modification for the purposes of any calculation or determination made by the Calculation Agent with respect to such Determination Date, in which case the relevant Index Modification will be deemed to have occurred with respect to the immediately succeeding Determination Date such that the provisions of (a) above will apply, or, notwithstanding that the Index Modification has occurred following the Cut-Off Date, to make any adjustments as the Calculation Agent deems fit in accordance with (a) above.

(vii) Change in Law

If the Calculation Agent determines that a Change in Law has occurred, the Issuer may redeem each Note on the date notified by the Issuer to Noteholders in accordance with Condition 13 (*Notices*) at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Change in Law, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the applicable Final Terms). Notice of any redemption of the Notes shall be given to Noteholders in accordance with Condition 13 (*Notices*).



(viii) Index Cancellation

If the Calculation Agent determines that an Index Cancellation has occurred, the Issuer may redeem each Note on the date notified by the Issuer to Noteholders in accordance with Condition 13 (*Notices*) at its fair economic value (as determined by the Calculation Agent) as at the date of redemption taking into account the Index Cancellation, less the cost to the Issuer of unwinding or amending any related underlying hedging arrangements (unless provided for otherwise in the applicable Final Terms). Notice of any redemption of the Notes pursuant to this Condition shall be given to Noteholders in accordance with Condition 13 (*Notices*).

**6. Index Disclaimer**

The Notes are not sponsored, endorsed, sold or promoted by the Index or the Index Sponsor and the Index Sponsor has made no representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. The Index Sponsor shall not be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. The Index Sponsor has made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. Neither the Issuer nor the Calculation Agent shall have any liability to any person for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Neither the Issuer nor the Calculation Agent has any affiliation with or control over the Index or the Index Sponsor or any control over the computation, composition or dissemination of the Index. Although the Issuer and the Calculation Agent will obtain information concerning the Index from publicly available sources they believe to be reliable, they will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Index.

**7. Related Bond Disclaimer**

The Notes are not sponsored, endorsed, sold or promoted by the issuer of the Related Bond and the issuer of the Related Bond has made no representation whatsoever, whether express or implied, as to the performance of the Related Bond and/or any amendments, adjustments or modifications to the terms and conditions of the Related Bond, and/or as to the results to be obtained from the use of any value or index level determined or derived with respect to the Related Bond or otherwise. The issuer of the Related Bond shall not be liable (whether in negligence or otherwise) to any person for any error in the index level or any value determined or derived with respect to the Related Bond and such issuer is under no obligation to advise any person of any error with respect thereto. The issuer of the Related Bond has made no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Notes. Neither the issuer of the Related Bond nor any calculation agent in respect thereof shall have any liability to any person for any act or failure to act in connection with the Related Bond.

## **SCHEDULE 12: COMMODITY-LINKED NOTES**

The terms and conditions applicable to Commodity Linked Notes shall comprise the Conditions of Medium Term Notes set out in Section 1 above (the “**Principal Conditions**”) and the additional Conditions set out in the applicable Final Terms. In the event of any inconsistency between (i) the Principal Conditions and (ii) the Final Terms, the Final Terms shall prevail.

### **SCHEDULE 13: CURRENCY-LINKED NOTES**

The terms and conditions applicable to Currency Linked Notes shall comprise the Conditions of Medium Term Notes set out in Section 1 above (the "**Principal Conditions**") and the additional provisions set out in the applicable Final Terms. In the event of any inconsistency between (i) the Principal Conditions and (ii) the Final Terms, the Final Terms shall prevail.

## Part 2: TERMS AND CONDITIONS OF THE CAPITAL SECURITIES

*The following are the Terms and Conditions of the Capital Securities (the "**Conditions**") which, as supplemented, modified or replaced in relation to any Capital Securities by the applicable Final Terms, will be applicable to each Series of Capital Securities. The Final Terms in relation to any Tranche of Capital Securities will include the definitions of certain terms used in the following Conditions:*

The Conditions applicable to any Capital Securities in global form will differ from those terms and conditions which would apply to the Capital Securities were it in definitive form to the extent described under "*Provisions Relating to the Notes whilst in Global Form*" below.

References herein to the "**Capital Securities**" shall be references to the Capital Securities of this Series and shall mean:

- (i) in relation to any Capital Securities represented by a temporary global security or a permanent global security (each a "**Global Note**"), units of the lowest Specified Denomination in the Specified Currency;
- (ii) definitive Capital Securities ("**Definitive Capital Securities**") issued in exchange for a Global Note (if applicable); and
- (iii) any Global Note.

The Capital Securities are issued pursuant to and in accordance with the agency agreement dated 6 November 2009 (the "**Agency Agreement**" as amended, supplemented or replaced) and made between Fortis Bank (Nederland) N.V. (the "**Issuer**"), BGL BNP Paribas SA in its capacity, *inter alia*, as agent (the "**Agent**", which expression shall include any successor to BGL BNP Paribas SA in its capacity as such) and principal paying agent (the "**Principal Paying Agent**"), Fortis Bank (Nederland) N.V. as paying agent (together with the Principal Paying Agent, the "**Paying Agents**", which expression shall include any successor or additional paying agents appointed in accordance with the Agency Agreement). For the purposes of making determinations or calculations of rates of interest, interest amounts, redemption amounts or any other matters requiring determination or calculation in accordance with the Conditions of any Series of Capital Securities, the Issuer may appoint a calculation agent (the "**Calculation Agent**") for the purposes of such Capital Securities, in accordance with the provisions of the Agency Agreement, and such Calculation Agent shall be specified in the applicable Final Terms. Copies of the Agency Agreement are available for inspection during normal business hours at the specified office of each of the Paying Agents. All persons from time to time entitled to the benefit of obligations under any Capital Securities shall be deemed to have notice of, and shall be bound by, all of the provisions of the Agency Agreement insofar as they relate to the relevant Capital Securities.

The Capital Securities are issued in series (each, a "**Series**"), and each Series may comprise one or more tranches ("**Tranches**" and each, a "**Tranche**") of Capital Securities. Each Tranche will be the subject of a set of final terms (each, the "**Final Terms**"), a copy of which will be available for inspection during normal business hours at the specified office of the Agent and obtainable from the Paying Agents. In the case of a Tranche of Capital Securities in relation to which application has not been made for the admission to listing, trading and/or quotation on any competent authority, stock exchange and/or any quotation system, copies of the Final Terms will only be available for inspection by a Holder of or, as the case may be, a Relevant Accountholder (as defined in the Capital Securities in global form) in respect of, such Capital Securities.

References in these Conditions to Capital Securities are to Capital Securities of the relevant Series.

References in these Conditions to the Final Terms are to the Final Terms prepared in relation to the Capital Securities of the relevant Tranche or Series.

In respect of any Capital Securities, references herein to these Conditions are to these terms and conditions as supplemented or modified or (to the extent thereof) replaced by the Final Terms.

Any reference herein to "**Noteholders**" or "**Holders**" in relation to any Capital Securities shall mean the holders of the Capital Securities and shall, in relation to Capital Securities represented by a Global Note, be construed as provided below.

### 1. FORM, DENOMINATION AND TITLE

#### (a) Form, Denomination and Currency

The Capital Securities are in bearer form and shall be in denominations as indicated in the applicable Final Terms. The Capital Securities will be represented by a temporary global security which is exchangeable for a permanent global security (each a "**Global Note**") without interest coupons. Unless specified otherwise in the Final Terms, each Global Note will be deposited with Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("**Euroclear Netherlands**") and thereby become subject to the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*, "**WGE**"). Unless specified otherwise in the Final Terms, the Global Note will not be exchangeable for Capital Securities in definitive form. The Capital Securities are denominated in such currency as may be

specified in the Final Terms. Any currency may be so specified, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

(b) Transfer and Title

Unless specified otherwise in the Final Terms, interests in a Global Note will be transferable only in accordance with the provisions of the WGE and the rules and procedures for the time being of Euroclear Netherlands and its participants (*aangesloten instellingen*) and all transactions in (including transfer of) Capital Securities, in the open market or otherwise must be effected through participants of Euroclear Netherlands. The bearer of a Global Note will be the only person entitled to receive payments in respect of such Global Note. Each person who is for the time being shown in the records of Euroclear Netherlands or any of its participants as the holder of a particular nominal amount of such Capital Securities (in which regard any certificate or other document issued by Euroclear Netherlands or such participant as to the nominal amounts of Capital 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 and the Paying Agent as the holder of such nominal amount of such Capital Securities for all purposes other than with respect to the payment of principal or interest on the Capital Securities, for which purpose the bearer of a Global Note shall be treated by the Issuer and the Paying Agent as the holder of such Capital Securities in accordance with and subject to the terms of the Capital Security.

## 2. STATUS

(a) Status and Subordination of the Capital Securities

The Capital Securities constitute direct, unsecured, subordinated securities of the Issuer and rank *pari passu* without any preference among themselves. The rights and claims of the Holders under the Capital Securities are subordinated to the claims of Senior Creditors of the Issuer, present and future.

(b) Condition of Payment by the Issuer

Payments in respect of the Capital Securities (and using the proceeds of the issue of Ordinary Shares in accordance with Condition 6 (*Alternative Coupon Satisfaction Mechanism*)) are conditional upon the Required Deferral Condition not having been met at the time of payment (or at the time of using the proceeds of issue of such Ordinary Shares) and no principal or Payments shall be due and payable in respect of the Capital Securities (including using the proceeds of the issue of Ordinary Shares in accordance with Condition 6 (*Alternative Coupon Satisfaction Mechanism*)) except to the extent that the Required Deferral Condition has not been met and the Issuer could make such payment (or using the proceeds of such issue of Ordinary Shares) without meeting the Required Deferral Condition.

For the purposes of this Condition 2(b) any reference to a payment by the Issuer in respect of a Capital Security shall be deemed to include a redemption or purchase of such Capital Security by the Issuer.

(c) Winding-Up Claims of the Issuer

Amounts in respect of principal or Payments in respect of which the conditions referred to in Condition 2(b) are not satisfied on the date upon which the same would otherwise be due and payable and have since not been paid ("**Winding-Up Claims**") will be payable by the Issuer in a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer as provided in Condition 3 (*Winding-Up*) or on any redemption pursuant to Condition 7(b), 7(c) or 7(d). A Winding-Up Claim shall not bear interest.

(d) Set-off

Subject to applicable law, no Holder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Capital Securities and each Holder shall, by virtue of being the holder of any Capital Security, be deemed to have waived all such rights of set-off.

## 3. WINDING-UP

If at any time an order is made, or an effective resolution is passed, for the winding-up (*faillissement of vereffening na ontbinding*) of the Issuer (except in any such case a solvent winding-up solely for the purpose of a reconstruction or amalgamation or the substitution in place of the Issuer of a successor in business of the Issuer, the terms of which reconstruction, amalgamation or substitution have previously been approved by an Extraordinary Resolution (as defined in the Agency Agreement)), there shall be payable by the Issuer in respect of each Capital Security (in lieu of any other payment by the Issuer) a winding-up amount. The Capital Securities will rank on a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer in priority to distributions on all classes of share capital of the Issuer and will rank *pari passu* with each other and among themselves, but will be subordinated in right of payment to the claims of Senior Creditors of the Issuer, present and future.

In a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer, the Holders will have (a) only a claim for payment in full or part of principal and Deferred Coupon Payments, if any, to the extent that distributable assets of the Issuer are sufficient to pay in full or part such amount of principal and such

Deferred Coupon Payments and (b) if the Final Terms indicate that the Ordinary Shares Threshold is applicable, no claim in respect of any amount of a Deferred Coupon Payment which has not yet been settled by means of the Alternative Coupon Satisfaction Mechanism in accordance with Condition 6 (*Alternative Coupon Satisfaction Mechanism*) as a result of the Issuer having reached the Ordinary Shares Threshold during an ACSM Cap Period preceding wind up.

#### 4. DEFERRALS

The Issuer must make each Coupon Payment on the relevant Coupon Payment Date subject to and in accordance with these Conditions. Without prejudice to the generality of Condition 2 (*Status*) and subject to Condition 4(c) as specified below, the Issuer must or may defer a Coupon Payment and any other Payment in the following circumstances:

(a) Required Deferral of Payments

- (i) If the Required Deferral Condition is met on the 20th Business Day prior to the date on which any Payment (such term does not include principal) would be otherwise due and payable, the Issuer must (subject to Condition 6 (*Alternative Coupon Satisfaction Mechanism*)) defer such Payment or such part thereof, as the case may be, by giving a notice (also a "**Deferral Notice**") to the Holders, the Agent and the Calculation Agent not less than 16 Business Days prior to such date.

If, following the deferral of a Payment by the Issuer under this Condition 4(a)(i), the Required Deferral Condition is no longer met on the 20th Business Day preceding a Coupon Payment Date, then the Issuer shall satisfy such Payment on the relevant Deferred Coupon Satisfaction Date having given, not less than 16 Business Days prior to the Deferred Coupon Satisfaction Date, notice to the Holders and the Calculation Agent that it will satisfy such Payment on such date.

- (ii) The Issuer shall not satisfy such Payment on the relevant Deferred Coupon Satisfaction Date referred to in Condition 4(a)(i) above, if:
- (1) it has previously elected to satisfy such Payment earlier (provided that, at the time of satisfying such payment, the Required Deferral Condition fails to be met) by delivering a notice to the Holders, the Agent and the Calculation Agent not less than 16 Business Days prior to the relevant Deferred Coupon Satisfaction Date that it will satisfy such Payment on such date; or
- (2) it validly elects to defer under Condition 4(b) the Payment which would otherwise have been satisfied under Condition 4(a)(i).
- (iii) If any Payment is deferred pursuant to Condition 4(a)(i) then no amount will be payable by way of interest on any such deferred Payment, save as provided in Condition 6(e). Any such deferred Payment shall be satisfied from the proceeds of the issue of Ordinary Shares in accordance with, and subject to the limitations contained in, Condition 6 (*Alternative Coupon Satisfaction Mechanism*).

(b) Optional Deferral of Payments

- (i) The Issuer may in respect of any Payment which would, in the absence of deferral in accordance with this Condition 4 (*Deferrals*), be due and payable, defer all or part of such Payment by giving a notice (also a "**Deferral Notice**") to the Agent, the Calculation Agent and the Holders not less than 16 Business Days prior to the relevant due date. Subject to Condition 4(c), the Issuer may then satisfy any such Payment at any time by means of an issue of Ordinary Shares in accordance with, and subject to the limitations contained in, Condition 6 (*Alternative Coupon Satisfaction Mechanism*) upon delivery of a notice to the Agent and the Calculation Agent not less than 16 Business Days prior to the relevant Deferred Coupon Satisfaction Date informing them of its election to so satisfy such Payment and specifying the relevant Deferred Coupon Satisfaction Date.
- (ii) If any Payment is deferred pursuant to this Condition 4(b) then such deferred Payment shall bear interest at the Applicable Coupon Rate from (and including) the date on which (but for such optional deferral) the Deferred Coupon Payment would otherwise have been due to be made to (but excluding) the relevant Deferred Coupon Satisfaction Date.
- (iii) Subject to Condition 4(b)(iv), the Issuer may give a Deferral Notice under this Condition 4(b) in its sole discretion and for any reason, except that a Deferral Notice as to a Payment required to be paid pursuant to (i), (ii) or (iii) under (c) below shall have no force or effect.

- (iv) Notwithstanding the foregoing, if the Final Terms indicate that a Capital Disqualification Event is applicable to the Capital Securities, then on any Coupon Payment Date with respect to which (i) a Capital Disqualification Event has occurred and is continuing and (ii) the Issuer is in compliance with the applicable Capital Adequacy Regulations, the Issuer shall be obliged to make the Coupon Payment on such Coupon Payment Date and may not exercise its discretion to defer a Coupon Payment.

(c) Dividend Pusher; Mandatory Payments and Mandatory Partial Payments

The Issuer will be required to make payments on the Capital Securities in the following circumstances:

- (i) If a Mandatory Payment Event or a Mandatory Partial Payment Event occurs then all Deferred Coupon Payments will become mandatorily due and payable in full on or within 60 days following the date of the Mandatory Payment Event or Mandatory Partial Payment Event in accordance with, and subject to the limitations contained in, Condition 6 (*Alternative Coupon Satisfaction Mechanism*). The Issuer may satisfy its obligations to pay such Deferred Coupon Payment only in accordance with the Alternative Coupon Satisfaction Mechanism. For the avoidance of doubt, the Issuer will not be required to utilise the Alternative Coupon Satisfaction Mechanism in order to satisfy its obligation to pay any Mandatory Partial Payment payable on a Mandatory Partial Payment Date that coincides with the date on which such Deferred Coupon Payment has become mandatory due and payable in full.
- (ii) If in six months prior to a Coupon Payment Date (or such other period as may be specified in the Final Terms) a Mandatory Payment Event occurs (such an event being referred to as a "**Junior Coupon Pusher Event**"), then the Coupon Payments payable on the next number of Coupon Payment Dates as specified in the Final Terms will be mandatorily due and payable in full on the relevant consecutive Coupon Payment Dates following such Junior Coupon Pusher Event, subject to the occurrence or existence of any Required Deferral Condition at the time such payment would otherwise have to be made. The Issuer is permitted, but shall not be required, to satisfy its obligation to make the Coupon Payment payable on such Coupon Payment Date in accordance with the Alternative Coupon Satisfaction Mechanism.
- (iii) If, in six months prior to a Coupon Payment Date (or such other period as may be specified in the Final Terms), a Mandatory Partial Payment Event occurs (such an event being referred to as a "**Parity Coupon Pusher Event**"), then Mandatory Partial Payments will be mandatorily due and payable in respect of each Capital Security on the next number of consecutive Coupon Payment Dates following such Parity Coupon Pusher Event as specified in the Final Terms, subject to the occurrence or existence of the Required Deferral Condition at the time such payment would otherwise have to be made and provided that such Mandatory Partial Payment Event was not itself compulsorily required to be paid solely as a result of a dividend or other payment having been made on a Parity Security or a Parity Guarantee, as applicable. The Issuer is permitted, but shall not be required, to satisfy its obligation to pay any Mandatory Partial Payments in accordance with the Alternative Coupon Satisfaction Mechanism.

(d) Dividend Stopper

The Issuer agrees that, beginning on the day the Issuer gives a Deferral Notice until all Deferred Coupon Payments are paid or satisfied in full, the Issuer will not recommend to its shareholders, and to the fullest extent permitted by applicable law will otherwise act to prevent, any action which would constitute a Mandatory Payment Event or a Mandatory Partial Payment Event.

## 5. COUPON PAYMENTS

(a) Coupon Payment Dates

The Capital Securities bear interest from (and including) the Issue Date. Such interest will (subject to Conditions 2(b), 4(a), 4(b), 6(d) and 6(e)) be payable in arrear on each Coupon Payment Date as indicated in the Final Terms. Each Capital Security will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. In such event, it shall continue to bear interest at the prevailing rate in accordance with this Condition 5(a) (both before and after judgment).

If any Coupon Payment Date would otherwise fall on a day which is not a Business Day it shall, unless specified otherwise in the Final Terms, be postponed to the next Business Day unless it would then fall into the next calendar month in which event the Coupon Payment Date shall be brought forward to the preceding Business Day and after the foregoing each subsequent Coupon Payment Date is the last Business Day of the month which falls three months after such Coupon Payment Date. The amount of the relevant Coupon Payment shall not be adjusted as a result.

If interest is required to be calculated for a period starting or ending other than on a Coupon Payment Date, such interest shall be calculated by applying the fixed Coupon Rate or the floating or variable Coupon Rate, as applicable, to each Calculation Amount, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest subunit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention and multiplying such rounded up figure by a fraction equal to the Specified Denomination of such Capital Security divided by the Calculation Amount.

(b) Fixed Coupon Rate

Capital Securities in relation to which this Condition 5(b) is specified in the applicable Final Terms as being applicable, shall bear a fixed rate interest at the Coupon Rate per annum as specified in the Final Terms.

Calculation of interest amount: The amount of interest payable in respect of each Capital Security for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Coupon Rate to the Calculation Amount, multiplying the product by the relevant Fixed Day Count Fraction, rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded up figure by a fraction equal to the Specified Denomination of such Capital Security divided by the Calculation Amount.

(c) Floating or Variable Coupon Rate

Capital Securities in relation to which this Condition 5(c) is specified in the applicable Final Terms as being applicable, shall bear a floating or variable interest at the Coupon Rate per Coupon Period as specified in the applicable Final Terms and determined in accordance with Condition 5(d).

Calculation of interest amount: The amount of interest payable in respect of each Capital Security for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the floating or variable Coupon Rate to the Calculation Amount, multiplying the product by the relevant Floating Day Count Fraction, rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded up figure by a fraction equal to the Specified Denomination of such Coupon divided by the Calculation Amount.

(d) Determination of Coupon Rate and Coupon Amounts

The Calculation Agent will, upon the determination of each Coupon Rate pursuant to Condition 5(c), calculate the Coupon Amount and cause the Coupon Rate and each Coupon Amount payable in respect of a Coupon Period to be notified to the Issuer, the Agent, Euronext Amsterdam and the Holders as soon as possible after their determination but in no event later than the fourth Business Day thereafter.

Unless specified otherwise in the applicable Final Terms, the amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months.

If the Calculation Amount is less than the Specified Denomination, the Agent, respectively, the Calculation Agent shall not be obliged to publish each Coupon Amount but instead publish only the Calculation Amount and the Coupon Amount in respect of a Note having the minimum Specified Denomination.

(e) No Determination or Calculation by Calculation Agent

If the Calculation Agent does not at any time for any reason (i) determine the Coupon Rate in accordance with Conditions 5(c) or (ii) calculate a Coupon Amount in accordance with Condition 5(d), the Issuer shall appoint an agent to do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Issuer or such agent shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it or such agent can do so, and in all other respects it or such agent shall do so in such manner as it shall deem fair and reasonable in all the circumstances. All determinations or calculations made or obtained for the purposes of the provisions of this Condition 5(e) by such agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Paying Agents and all Holders.

## 6. ALTERNATIVE COUPON SATISFACTION MECHANISM

(a) Alternative Coupon Satisfaction Mechanism

If any Deferred Coupon Payment (with any interest accrued on such Deferred Coupon Payment, as applicable) is to be made, it will be satisfied using the Alternative Coupon Satisfaction Mechanism.

In addition, the Issuer may elect at any time to satisfy its obligation to make any Payment (other than Deferred Coupon Payments and a payment of principal) to Holders by using the Alternative Coupon Satisfaction Mechanism. “**Alternative Coupon Satisfaction Mechanism**” means that the relevant payment is satisfied from the proceeds of the issue of such amount of Ordinary Shares for cash as required to provide enough cash for the Issuer to make full payments on the Capital Securities in respect



of the relevant Payment, in accordance with and subject to the following provisions of this Condition 6 (*Alternative Coupon Satisfaction Mechanism*).

Investors will always receive payments made in respect of Capital Securities in cash.

If the Issuer uses the Alternative Coupon Satisfaction Mechanism, the Issuer shall notify the Holders and the Agent not less than 16 Business Days prior to the relevant Coupon Payment Date. In the absence of or save to the extent of such issue, subject to Condition 4(a) and Condition 4(b), Payments must be satisfied in accordance with Condition 9(a).

Any relevant Deferred Coupon Payment will only be made by operation of the Alternative Coupon Satisfaction Mechanism to the extent that the proceeds raised from the issuance or sale of Ordinary Shares is received no more than six months before the relevant Deferred Coupon Satisfaction Date (or such other period as may be specified in the Final Terms) and, if the Final Terms indicate that the Ordinary Shares Threshold is applicable, to the extent that the number of Ordinary Shares does not exceed the Ordinary Shares Threshold during the relevant ACSM Cap Period. To the extent the Issuer is unable to satisfy a Deferred Coupon Payment in full as a result of it reaching the Ordinary Shares Threshold, if applicable, (I) the Issuer shall satisfy such Deferred Coupon Payment in part with proceeds raised from the issuance or sale of Ordinary Shares up to the Ordinary Shares Threshold and (II) any unsettled Deferred Coupon Payment amount shall remain outstanding and, to the extent the Issuer is not wound up, be satisfied during the next ACSM Cap Period or ACSM Cap Periods, in each case subject to the Ordinary Shares Threshold applicable to the respective ACSM Cap Period and, in all cases, the limitation contained in the immediately following paragraph, with proceeds raised from the issuance or sale of Ordinary Shares received no more than six months before the relevant Deferred Coupon Satisfaction Date (or such other period as may be specified in the Final Terms).

If the Final Terms indicate that the Ordinary Shares Threshold is applicable, the Issuer shall use its best efforts to satisfy any Deferred Coupon Payment by way of the foregoing Alternative Coupon Settlement Mechanism during the period of time specified under the subparagraph titled "*ACSM Settlement Period*" in the Final Terms (the "**ACSM Settlement Period**"). If at the end of the relevant ACSM Settlement Period in respect of any Deferred Coupon Payment the Issuer has been unable to make full payment of such Deferred Coupon Payment in accordance with the ACSM, the obligations of the Issuer to satisfy any Coupon Payment that was deferred during such ACSM Settlement Period shall, to the extent not already settled under the ACSM, be cancelled, and Holders will have no claim in respect thereof.

(b) Issue of shares

If any Payment (for the purposes of this Condition 6 (*Alternative Coupon Satisfaction Mechanism*)), a "**Due Amount**") is to be satisfied on a particular date (the "**Due Date**") in accordance with the Alternative Coupon Satisfaction Mechanism then, subject to Conditions 6(d), 6(e) and 6(f):

- (i) on or prior to the eleventh Business Day prior to the Due Date the Issuer shall calculate the number of its Ordinary Shares that have an aggregate market value of not less than the Due Amount and shall notify the Holders accordingly;
- (ii) on or prior to the eleventh Business Day prior to the Due Date the Issuer shall calculate the number of Ordinary Shares (the "**Associated Cost Ordinary Shares**") required to be issued by the Issuer as, on sale, produce a net amount of not less than the Associated Costs and shall notify the Holders accordingly;
- (iii) on or prior to the seventh Business Day preceding the Due Date, the Issuer shall duly authorise the issue of the relevant number of Ordinary Shares and the Associated Costs Ordinary Shares and on the Business Day prior to the relevant payment date, shall validly issue, free from lien or any other encumbrance such Ordinary Shares and Associated Cost Ordinary Shares to market investors;
- (iv) following the sale of the Ordinary Shares and the Associated Cost Ordinary Shares, the Issuer shall apply the proceeds of the issuance of the Ordinary Shares and the Associated Cost Ordinary Shares in or towards satisfaction of the Associated Costs and the Due Amount with such proceeds of the issuance in respect of the Due Amount being paid by the Issuer to the Agent in the manner provided in the Agency Agreement in order that it can be paid to the Holders in accordance with such Agency Agreement;
- (v) if the proceeds of the issuance of the Ordinary Shares and the Associated Cost Ordinary Shares will not, in the opinion of the Issuer despite the arrangements contained herein, result in each case in a sum at least equal to the Due Amount and Associated Costs being available to satisfy the relevant Payment and the Associated Costs in full on the Due Date, the Issuer shall promptly notify the Holders and shall then take such steps as are reasonably necessary to ensure, so far as practicable, that through issuing additional Ordinary Shares in accordance with this Condition 6 (*Alternative Coupon Satisfaction Mechanism*) in each case a sum at least equal to respectively the relevant Payment and

the Associated Costs will be available to make the relevant Payment and pay the Associated Costs in full on the Due Date, provided that for such purpose this Condition 6 (b) shall be modified as follows:

- (A) references therein to Payment shall be deemed to be references to the amount by which the aggregate sum then paid to the Agent in respect of the relevant Payment pursuant to this Condition 6(b) is less than the Due Amount (the Payment Shortfall);
- (B) references therein to Associated Costs shall be deemed to be references to the aggregate of (A) the amount by which the sum received by or on behalf of the Issuer in respect of Associated Costs is less than the Associated Costs and (B) the Associated Costs determined under Condition 6(b)(ii) above but by reference to the numbers of additional Ordinary Shares required to be issued in order to satisfy the shortfall (such aggregate being the Costs Shortfall); and
- (C) all matters required to be done by a stated time shall be done as soon as practicable,

and further provided for the avoidance of doubt that the parties' obligations under this Condition 6(b)(v) shall only apply to the extent that it is practicable to raise funds by the Due Date by following the procedures contained in Condition 6(b)(i) to 6(b)(iv), as modified by subclauses (A) to (C) above.

(c) Receipt of cash proceeds in respect of Issue of Ordinary Shares satisfies Payment

Where the Issuer either elects or is required to make a Payment hereunder by using the proceeds of an issue of Ordinary Shares and issues such shares, the Issuer will sell such shares in the market. Receipt of the cash proceeds by the Issuer on the sale of the Ordinary Shares in the market by the Issuer shall, subject to Conditions 6(b) and 6(e), be used to satisfy the relevant Payment or, as the case may be, in the circumstances referred to in Condition 6(d) below, the relevant part of such Payment. The proceeds of sale of Ordinary Shares in accordance with this Condition 6 (*Alternative Coupon Satisfaction Mechanism*) shall be paid by the Agent to the Holders in respect of the relevant Payment.

(d) Reservation and Insufficiency of Ordinary Shares

- (i) The Issuer is required to keep available for issue enough Ordinary Shares as it reasonably considers would be required to satisfy from time to time the number of scheduled Coupon Payments falling within an annual period and any Deferred Coupon Payments. No damages will be payable for breach of this covenant but, in the event of breach by the Issuer of this Condition 6(d)(i), any Holder may require that the Issuer holds as soon as practicable an extraordinary general meeting of the shareholders of the Issuer at which a resolution is passed to remedy the breach.
- (ii) If the Issuer is to satisfy a Payment in accordance with this Condition 6 (*Alternative Coupon Satisfaction Mechanism*) and does not, on the date when the number of Ordinary Shares required to be issued is determined in accordance with this Condition 6, have sufficient number of Ordinary Shares available for issue, then the Issuer shall notify the Agent and the Holders that all or part, as the case may be, of the relevant Payment cannot be so satisfied due to the events described in this paragraph. In this case the Payment or part thereof shall be satisfied following the date of the next annual general meeting or extraordinary general meeting of shareholders of the Issuer at which a resolution is passed making a sufficient number of Ordinary Shares available to satisfy all or such part of the relevant Payment provided that if the number of Ordinary Shares authorised to be issued at any such meeting is insufficient to satisfy all or such part of the relevant Payment then those Ordinary Shares so issued shall be applied by the Issuer in part satisfaction of all or such part of the relevant Payment. Following the passage of any such resolution, the Issuer shall notify the Paying Agents and the Holders of the date upon which the relevant Payment or, as the case may be, the part thereof is to be made in accordance herewith on not less than 16 Business Days' notice. The relevant Payment or, as the case may be, the part thereof which is not so satisfied shall, unless it is a required Deferred Coupon Payment which had been deferred under Condition 4(a) and has not been subsequently either satisfied or deferred in accordance with Condition 4(b), continue to accrue interest at the rate specified in Condition 4(b)(ii) from (and including) the date on which Payment would otherwise have been due to (but excluding) the date on which such Payment or part thereof is satisfied or, in the event of a Market Disruption Event, the date on which such Payment or part thereof would, but for the occurrence of such Market Disruption Event, have been satisfied (from which date interest (if any) will accrue on such Payment as provided in Condition 6(e)).

- (iii) If, in the case of an insufficiency of Ordinary Shares, the Issuer does not hold an annual general meeting within 6 months of giving the above first-mentioned notice, at which a resolution to make a sufficient number of Ordinary Shares so available is proposed, any Holder may by notice require the Issuer to convene an extraordinary general meeting at which such a resolution shall be proposed on a date falling within 10 weeks of such notice from the relevant Holder.
- (iv) In the event that any such resolution proposed at any such annual general meeting or extraordinary general meeting of the Issuer is rejected, such resolution will be proposed at each annual general meeting or any extraordinary general meeting of the Issuer thereafter until such time as such resolution has been passed by the shareholders of the Issuer.

(e) Market Disruption

Notwithstanding the provisions of Condition 6(b), if there exists, in the opinion of the Issuer a Market Disruption Event on or after the 15th Business Day preceding any date upon which a Payment or, in the case of an insufficiency as provided in Condition 6(d) above, part thereof is due to be made or satisfied in accordance with this Condition 6 (*Alternative Coupon Satisfaction Mechanism*), then the Issuer may give a notice to the Agent and the Holders as soon as possible after the Market Disruption Event has arisen or occurred, whereupon the relevant Payment shall be deferred until such time as (in the opinion of the Issuer) the Market Disruption Event no longer exists.

Any such deferred Payment or part thereof will be satisfied as soon as practicable following such time as the Market Disruption Event no longer exists. Interest shall not accrue on such deferred Payment or part thereof unless, as a consequence of the existence of a Market Disruption Event, the Issuer does not make the relevant Payment or part thereof for a period of 14 days or more after the due date therefore, in which case interest shall accrue on such deferred Payment or part thereof from (and including) the date on which the relevant Payment or part thereof was due to be made to (but excluding) the date on which such Payment or part thereof is made. Any such interest shall accrue at the rate provided for in Condition 5 and shall be satisfied only in accordance with this Condition 6 (*Alternative Coupon Satisfaction Mechanism*) and as soon as reasonably practicable after the relevant deferred Payment is made.

(f) Shortfall at Due Date

- (i) If, despite the operation of Condition 6(b), there is a Payment Shortfall and/or Costs Shortfall as at the Due Date the Issuer will, upon being notified of such shortfall, either:
  - (A) save where Condition 6(f)(i)(B) applies, pay to the Agent as soon as practicable an amount equal to the Payment Shortfall; or
  - (B) where the Issuer was originally obliged to satisfy such Payment pursuant to this Condition 6 (*Alternative Coupon Satisfaction Mechanism*) or if in its discretion it so determines, give notice to the Agent that the Payment Shortfall and Costs Shortfall will be satisfied by using the proceeds of the issue of Ordinary Shares subject to Conditions 6(d) and 6(e), and in accordance with the procedures contained in Condition 6(b).
- (ii) If following the operation of Condition 6(f)(i)(B) above there is for any reason still a Payment Shortfall and/or Costs Shortfall, then the provisions of Condition 6(f)(i)(B) above shall be applied (as often as necessary) in respect of this shortfall until the Agent shall have received funds equal to the full amount of the Payment Shortfall and the Cost Shortfall has been satisfied provided that the Issuer shall not be obliged to effect the issue of any amount of Ordinary Shares in accordance with Condition 6(b) or this Condition 6(f) where in the opinion of the Issuer the proceeds of issuance of such amount of Ordinary Shares would not amount to at least the Associated Costs of such issuance.

(g) Issuer certification to Agent

The Issuer will certify to the Agent that the proceeds used to make any Deferred Coupon Payment have been funded through the issue of Ordinary Shares which will provide the cash amount due in respect of the Deferred Coupon Payment.

## 7. REDEMPTION AND PURCHASE

(a) No Fixed Redemption Date

The Capital Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Conditions 2 (*Status*) and 3 (*Winding-up*) and without prejudice to the provisions of Condition 12 (*Prescription*)) only have the right to repay them in accordance with the following provisions of this Condition 7 (*Redemption and Purchase*). The Issuer may from time to

time, in connection with an issue of Capital Securities, enter into a replacement capital covenant for the benefit of one or more series of the Issuer's debt securities by specifying that a replacement capital covenant is applicable in the Final Terms (thereby indicating the Issuer's intention to enter into a replacement capital covenant in connection with such issue of Capital Securities). A replacement capital covenant will generally provide that the Issuer will not redeem or repurchase any Capital Securities, and will not permit any subsidiary to purchase any Capital Securities, unless and to the extent the aggregate redemption, repurchase or purchase price is equal to or less than the net proceeds (or in certain circumstances a percentage of such net proceeds specified in the Final Terms) received by the Issuer or its subsidiaries, during the six months prior to such redemption, repurchase or purchase date (or such other period as may be specified in the terms of the replacement capital covenant and the Final Terms), from one or more new issues of qualifying securities as specified in the terms of the replacement capital covenant, unless the replacement capital covenant is terminated prior to redemption, repurchase or purchase in accordance with its terms. If not terminated sooner, the replacement capital covenant will terminate on the redemption, repurchase or purchase of the Capital Securities. If applicable, the replacement capital covenant will continue to be effective following any substitution or variation of the Capital Securities in accordance with these Conditions.

(b) Issuer's Call Option

If this Condition 7(b) is specified in the Final Terms as being applicable, subject to Condition 2(b) and prior consent of the Dutch Central Bank (*De Nederlandsche Bank N.V.*), the Issuer may, by giving not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 15 (*Notices*) and to the Agent, which notice shall be irrevocable, elect to redeem all, but not some only, of the Capital Securities on the Coupon Payment Date falling on the date specified as such in the Final Terms and any Coupon Payment Date thereafter at the Optional Redemption Amount specified in the Final Terms together with any Outstanding Payments.

(c) Redemption or Conversion due to Taxation

If the Issuer satisfies the Holders immediately prior to the giving of the notice referred to below that, on the next due date for a Coupon Payment:

- (i) the Issuer would, for reasons outside its control, be unable to make such payment without being required to pay additional amounts as provided or referred to in Condition 11 (*Taxation*); or
- (ii) payments of amounts in respect of interest on the Capital Securities including, for the avoidance of doubt, from the proceeds of the issue of Ordinary Shares pursuant to Condition 6 (*Alternative Coupon Satisfaction Mechanism*), may be treated as 'distributions' within the meaning of Section II of the Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*) (or such other Section and/or Act as may from time to time supersede or replace Section II of the Dividend Withholding Tax Act 1965 for the purposes of such definition) and such requirement or circumstance cannot be avoided by the Issuer taking such measures as it (acting in good faith) deems appropriate; or
- (iii) as a result of any change in or proposed change in, or amendment to or proposed amendment to, the laws of The Netherlands or any political subdivision or authority thereof having power to tax, or any change in or proposed change in the application of official or generally published interpretation of such laws, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such law or regulations that differs from the previously generally accepted position in relation to similar transactions or which differs from any specific written confirmation given by a tax authority in respect of the Capital Securities, which change or amendment becomes, or would become, effective, or in the case of a change or proposed change in law if such change is enacted (or, in the case of a proposed change, is expected to be enacted) by Act of Parliament or made by Statutory Instrument on or after the Issue Date of the relevant Capital Securities (a "**Tax Law Change**") or if no such Tax Law Change has occurred, the Issuer reasonably determines, based on an opinion of competent legal counsel, that, in either case, there is more than an insubstantial risk that the Issuer will not obtain full or substantially full relief for the purposes of Dutch corporation tax for any payment of interest including, for the avoidance of doubt, where the payment of interest is to be satisfied from the proceeds of the issue of Ordinary Shares, then
- (x) the Issuer may (and subject to Condition 2(b) and prior consent of the Dutch Central Bank (*De Nederlandsche Bank N.V.*)), having given not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 15 (*Notices*), the Holders (which notice shall be irrevocable), redeem, in accordance with these Conditions, at any time all, but not some only, of the Capital Securities at the Early Redemption Amount specified in the Final Terms; or

- (y) subject to compliance with applicable regulatory requirements and prior consent of the Dutch Central Bank (*De Nederlandsche Bank N.V.*), the Issuer may convert or exchange the Capital Securities in whole (but not in part) to another series of capital securities of the Issuer having materially the same terms as the Capital Securities and which are no less favourable to an investor than the current terms of the Capital Securities. Any conversion of the Capital Securities into another series of capital securities under this paragraph (c)(y) shall be made on not less than 30 nor more than 60 days' notice to the Holders. The Issuer is permitted to satisfy its obligation to pay any Deferred Coupon Payment due upon conversion only in accordance with the Alternative Coupon Satisfaction Mechanism.

(d) Redemption or Conversion for Regulatory Purposes

If securities of the nature of the Capital Securities cease to qualify as own funds and core capital (tier 1 capital or equivalent), for the purposes of determination of its solvency margin, capital adequacy ratios or comparable margins or ratios under such Capital Adequacy Regulations, then

- (i) the Issuer may (subject to Condition 2(b) and prior consent of the Dutch Central Bank (*De Nederlandsche Bank N.V.*)), having given not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 15 (*Notices*), the Holders (which notice shall be irrevocable) redeem, in accordance with these Conditions, at any time all, but not some only, of the Capital Securities at the Early Redemption Amount specified in the Final Terms; or
- (ii) subject to compliance with applicable regulatory requirements and prior consent of the Dutch Central Bank (*De Nederlandsche Bank N.V.*), the Issuer may at any time convert or exchange the Capital Securities in whole (but not in part) to another series of capital securities of the Issuer having materially the same terms as the Capital Securities and which are no less favourable to an investor than the current terms of the Capital Securities. Any conversion of the Capital Securities into another series of capital securities under this paragraph (d)(ii) shall be made on not less than 30 nor more than 60 days' notice to the Holders. The Issuer is permitted to satisfy its obligation to pay any Deferred Coupon Payment due upon conversion only in accordance with the Alternative Coupon Satisfaction Mechanism.

(e) Purchases

The Issuer and/ or its subsidiaries may (subject to Condition 2(b) and prior consent of the Dutch Central Bank (*De Nederlandsche Bank N.V.*)) at any time purchase Capital Securities in any manner and at any price.

(f) Cancellation

Cancellation of any Capital Securities will be effected by reduction in the principal amount of the Global Security and such cancelled Capital Securities may not be reissued or resold. Capital Securities purchased by the Issuer may be held, reissued, resold or, at the option of the Issuer, be cancelled by decreasing the number of Capital Securities represented by the Global Note by an equal number. The obligations of the Issuer in respect of any such Capital Securities shall be discharged.

## 8. ALTERATION OF TERMS

Upon the occurrence of a Regulatory Event, (i) Condition 4(b)(iv) will no longer apply to the Capital Securities and (ii) Condition 4(c) will no longer apply to the Capital Securities to the extent such Condition refers to Mandatory Partial Payments and Mandatory Partial Payment Events. The Capital Securities thus altered will be referred to as the "**Altered Capital Securities**" so to reflect that for International Financial Reporting Standards ('**IFRS**') purposes they are classified as equity applying the current IFRS standards. After the Alteration Date the Issuer will be allowed to defer Coupon Payments on the Altered Capital Securities, subject to the suspension of payments on the Issuer's ordinary shares and/or other instruments which are classified as equity for IFRS purposes. Subject to the above, following a Regulatory Event the Altered Capital Securities will remain outstanding on the Conditions applicable to the Capital Securities as of the Alteration Date.

## 9. PAYMENTS

(i) Method of Payment

- (i) Payments of principal and Coupon Amounts and all other payments on or in respect of the Capital Securities will be in the applicable currency and will be calculated by the Calculation Agent and effected through the Paying Agents. Payments of redemption amounts and interest in respect of the Capital Securities will, subject as set out below, be

made against presentation for endorsement and, if no further payment falls to be made in respect of the Capital Securities, surrender of the Global Security to the order of the Paying Agent. A record of each payment will be endorsed on the appropriate part of the schedule to the Global Note by or on behalf of the Paying Agent, which endorsement shall be prima facie evidence that such payment has been made in respect of the Capital Securities.

- (ii) The names of the initial Paying Agents and their initial specified offices are set out below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that it will at all times maintain (a) a Paying Agent having a specified office in The Netherlands (b) for so long as the Capital Securities are listed on Euronext Amsterdam by NYSE Euronext, or any other stock exchange or regulated securities market and the rules of such exchange or securities market so require, a Paying Agent having a specified office in such location as the rules of such exchange or securities market may require and (c) a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any such termination or appointment and of any change in the specified offices of the Paying Agents will be given to the Holders in accordance with Condition 15 (*Notices*).

- (ii) Payments subject to fiscal laws

All payments made in accordance with these Conditions 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 11 (*Taxation*).

- (iii) Payments on Business Days

A Global Security may only be presented for payment on a Business Day, unless specified otherwise in the Final Terms. No further interest or other payment will be made as a consequence of the day on which a Global Note may be presented for payment under this paragraph falling after the due date.

## 10. **NON-PAYMENT WHEN DUE**

Notwithstanding any of the provisions below in this Condition 10 (*Non-Payment when Due*), the right to institute winding-up proceedings is limited to circumstances where payment has become due. Pursuant to Condition 2(b) and subject as provided in the next sentence no principal or Payment will be due by the Issuer if the Issuer is not Solvent or would not be Solvent if payment of such principal or Payment was made. Also, in the case of any Payment, such Payment will not be due if the Issuer has elected to defer that Payment pursuant to Conditions 4(a) or 4(b) or if the circumstances referred to in any of Conditions 6(d) or 6(e) then apply.

- (i) If the Issuer shall not make a payment in respect of the Capital Securities for a period of 14 days or more after the date on which such payment is due, the Issuer shall be deemed to be in default under the Capital Securities, and any Holder may, notwithstanding the provisions of paragraph (b) of this Condition 10 (*Non-Payment when Due*), institute proceedings in The Netherlands (but not elsewhere) for the winding-up (*faillissementsprocedure*) of the Issuer.
- (ii) Subject as provided in this Condition 10 (*Non-Payment when Due*), any Holder may at its discretion and without further notice institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Agency Agreement or the Capital Securities provided that the Issuer shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

## 11. TAXATION

All payments by the Issuer of principal, Coupon Amounts, Deferred Coupon Payments, Mandatory Partial Payments, Accrued Coupon Payments and Winding-Up Claims in respect of the Capital Securities will be made without withholding of or deduction for, or on any account of, any present or future taxes, duties, assessments or governmental charges of whatsoever nature imposed or levied by or on behalf of The Netherlands or any political subdivision thereof or by any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer will pay such additional amounts as may be necessary in order that the net amounts receivable by Holders after such withholding or deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Capital Securities in the absence of such withholding or deduction, except that no such additional amounts shall be payable in relation to any payment with respect to any Capital Security:

- (i) to or to a third party on behalf of a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Capital Security by reason of such Holder or, as the case may be, having some connection with The Netherlands other than the mere holding of such Capital Security; or
- (ii) to, or to a third party on behalf of, a Holder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of nonresidence or other similar claim for exemption to the relevant tax authority; or
- (iii) to, or to a third party on behalf of, a Holder, that is a partnership, or a Holder, that is not the sole beneficial owner of the Capital Security or which holds the Capital Security in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settlor or beneficiary with respect to the fiduciary would not have been entitled to the payment of an additional amount had each of the members of the partnership, the beneficial owner, settlor or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment; or
- (iv) presented for payment more than 30 days after the Relevant Date except to the extent that the Holder would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or
- (v) where such withholding or deduction is imposed on a payment to an individual or residual entity within the meaning of the *European Council Directive 2003/48/EC* and is required to be made pursuant to *European Council Directive 2003/48/EC* or any law implementing or complying with, or introduced in order to conform to, such Directive.

References in these Conditions to principal, Coupon Amounts, Deferred Coupon Payments, Mandatory Partial Payments and/or Accrued Coupon Payments shall be deemed to include any additional amounts which may become payable pursuant to the foregoing provisions.

In the event that any payment is satisfied by using the proceeds of an issue of Ordinary Shares pursuant to Condition 6 (*Alternative Coupon Satisfaction Mechanism*), then any additional amounts which are payable shall also be satisfied through the issue of Ordinary Shares.

## 12. PRESCRIPTION

Claims for payment in relation to Capital Securities will become void unless exercised within a period of 5 years from the due date for payment thereof.

## 13. MEETINGS OF HOLDERS, MODIFICATION, WAIVER

The Agency Agreement contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of the Capital Securities or certain provisions of the Agency Agreement. Such meetings may be convened by the Issuer or Holders holding not less than 5% in a nominal amount of the Capital 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% in nominal amount of the Capital Securities for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders whatever the nominal amount of the Capital Securities so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Capital Securities (including modifying any date for payment of interest thereof, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Capital Securities or altering the currency of payment of the Capital Securities), 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 Capital Securities for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting.

The Agent and the Issuer may agree, without the consent of the Holders to:

- (a) any modification (except as mentioned above) of the Capital Securities or the Agency Agreement which is not materially prejudicial to the interests of the Holders; or
- (b) any modification of the Capital Securities or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest 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 Holders and any such modification shall be notified to the Holders in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

#### 14. **REPLACEMENT OF THE CAPITAL SECURITIES**

Should the Global Security, be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent (or such other place of which notice shall have been given in accordance with Condition 15 (*Notices*)) upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity and/or as the Issuer may reasonably require. The mutilated or defaced Global Note must be surrendered before any replacement Global Note will be issued.

#### 15. **NOTICES**

Notices to Holders may be given by the delivery of the relevant notice to Euroclear Netherlands except for so long as the Capital Securities are listed on Euronext Amsterdam by NYSE Euronext, notices shall also be published in such a manner as may be required by applicable laws, rules and regulations from time to time. Any such notice shall be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. Any Notice delivered to Euroclear Netherlands shall be deemed to have been given to the Holders on the day on which such notice is so delivered.

#### 16. **FURTHER ISSUES**

The Issuer is at liberty from time to time without the consent of the Holders to create and issue further Capital Securities ranking *pari passu* in all respects (or in all respects save for the date from which interest thereon accrues and the amount of the first payment of interest on such further Capital Securities) and so that the same shall be consolidated and form a single series with the outstanding Capital Securities.

#### 17. **SUBSTITUTION OF THE ISSUER**

- (i) The Issuer may, with the consent of the Holders which will be deemed to have been given in respect of each issue of Capital Securities on which no payment of principal of or interest on any of the Capital Securities is in default and after written approval of the Dutch Central Bank (*De Nederlandsche Bank N.V.*) be replaced and substituted by any directly or indirectly wholly owned subsidiary of the Issuer (the "**Substituted Debtor**") as principal debtor in respect of the Capital Securities provided that:
  - (i) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (the "**Documents**") and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Holder to be bound by the Conditions of the Capital Securities and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Capital Securities and the Agency Agreement as the principal debtor in respect of the Capital Securities in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the "**Guarantee**") in favour of each Holder (including any additional amounts payable pursuant to Condition 11 (*Taxation*)) payable in respect of the Capital Securities;
  - (ii) where the Substituted Debtor is incorporated, domiciled or resident for taxation purposes in a territory other than The Netherlands, the Documents shall contain a covenant and/or such other provisions as may be necessary to ensure that each Holder has the benefit of a covenant in terms corresponding to the provisions of Condition 11 (*Taxation*) with the substitution for the references to The Netherlands of references to the territory in which the Substituted Debtor is incorporated, domiciled and/or resident for taxation purposes. The Documents shall also contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Holder against all liabilities, costs, charges and expenses, which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Holder by any political sub-division or taxing authority of any country



in which such Holder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);

- (iii) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (a) that each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Holder;
  - (iv) each stock exchange which has Capital Securities listed thereon shall have confirmed that following the proposed substitution of the Substituted Debtor such Capital Securities would continue to be listed on such stock exchange;
  - (v) the Substituted Debtor shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of lawyers in the jurisdiction in which the Substituted Debtor is situated to the effect that the Documents and the Substituted Debtor's obligations under the Capital Securities will constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than 3 days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Holders at the specified office of the Agent;
  - (vi) the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) will constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than 3 days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Holders at the specified office of the Agent; and
  - (vii) the Issuer shall have delivered to the Agent or procured the delivery to the Agent of a legal opinion from a leading firm of Dutch lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under Dutch law, such opinion to be dated not more than 3 days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Holders at the specified office of the Agent.
- (ii) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Holders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and no Holders, except as provided in Condition 17(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Capital Securities any indemnification or payment in respect of any tax or other consequences arising from such substitution.
- (iii) Furthermore, the Documents shall provide for such further amendment of the Conditions as shall be necessary to ensure that the Capital Securities of such Series constitute subordinated obligations of the Substituted Debtor and that the Guarantee constitutes a subordinated obligation of the Issuer, in each case subordinated to no greater than the same extent as the Issuer's obligations prior to its substitution to make payments of principal in respect of the Capital Securities of such Series under the Conditions.
- (iv) The Issuer shall be entitled, after written approval of Dutch Central Bank (*De Nederlandsche Bank N.V.*) by notice to the Holders given in accordance with Condition 15 (*Notices*), at any time either to effect a substitution which does not comply with Condition 17(c) above provided that the terms of such substitution have been approved by an Extraordinary Resolution of the Holders or to waive all and any rights to effect a substitution of the principal debtor pursuant to this Condition. Any such notice of waiver shall be irrevocable.
- (v) Upon the execution of the Documents as referred to in paragraph (a) above, and subject to the notice referred to in paragraph (g) below having been given, the Substituted Debtor shall be deemed to be named in the Capital Securities as the principal debtor in place of the Issuer and the Capital Securities shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Capital Securities save that any claims under the Capital Securities prior to release shall endure for the benefit of Holders.
- (vi) The Documents shall be deposited with and held by the Agent for so long as any Capital Securities remain outstanding and for so long as any claim made against the Substituted Debtor by any Holder in relation to the Capital Securities or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in

the Documents the right of every Holder to the production of the Documents for the enforcement of any of the Capital Securities or the Documents.

- (vii) Not later than 15 business days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Holders in accordance with Condition 15 (*Notices*).

## 18. AGENTS

The Issuer will procure that there shall at all times be a Calculation Agent and an Agent so long as any Capital Security is outstanding. If either the Calculation Agent or the Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Conditions or the Agency Agreement, as appropriate, the Issuer shall appoint an independent investment bank to act as such in its place. Neither the termination of the appointment of a Calculation Agent or the Agent nor the resignation of either will be effective without a successor having been appointed.

All calculations and determinations made by the Calculation Agent or the Agent in relation to the Capital Securities shall (save in the case of manifest error) be final and binding on the Issuer, the Paying Agents and the Holders.

The Issuer nor any of the Paying Agents shall have any responsibility to any person for any errors or omissions in any calculation by the Calculation Agent.

## 19. GOVERNING LAW AND JURISDICTION

- (i) Governing Law

The Capital Securities and any non-contractual obligations arising out of or in connection therewith are governed by, and shall be construed in accordance with, by Dutch law.

- (ii) Netherlands courts

The courts of Amsterdam, The Netherlands, judging in first instance, and in its appellate courts shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Capital Securities (including a dispute relating to the existence, validity or cancellation of the Capital Securities) or the consequences of their nullity.

- (iii) Rights of the Holders of Notes to take proceedings outside The Netherlands

Condition 19(b) is for the benefit of the Holders of Capital Securities only. As a result, nothing in this Condition 19 (*Governing Law and Jurisdiction*) prevents any Holder of Capital Securities from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Holders of Capital Securities may take concurrent Proceedings in any number of jurisdictions.

## 20. DEFINITIONS

In these Conditions:

**'Accrued Coupon Payment'** means, as at any time, where these Conditions provide that interest shall continue to accrue after a Coupon Payment Date in respect of a Capital Security the amount of interest accrued thereon in accordance with Conditions 4(b), 5, 6(d) and 6(e);

**'ACSM Cap Period'** means an Initial ACSM Cap Period or any Subsequent ACSM Period, as applicable;

**'Agency Agreement'** means the Agency Agreement dated 6 November 2009 between the Issuer and the Paying Agents relating to the Capital Securities under which each Paying Agent agrees to perform the duties required of it under these Conditions;

**'Agent'** means the Agent appointed pursuant to the Agency Agreement;

**'Agents'** means the agents appointed pursuant to the Agency Agreement and such term shall unless the context otherwise requires, include the Agent.

**'Alternative Coupon Satisfaction Mechanism'** has the meaning ascribed to it in Condition 6(a);

**'Applicable Coupon Rate'** means in relation to any Payment deferred pursuant to Condition 4(b) or Condition 6(e), the Coupon Rate payable on the Capital Securities as determined by the Calculation Agent in accordance with Condition 5(b) or 5(c) for the Coupon Periods during which such Payment is deferred;

**'Assets'** means the non-consolidated gross assets of the Issuer as shown by the then latest published audited balance sheet of the Issuer but adjusted for contingencies and for subsequent events and to such extent as the directors or, as the case may be, the liquidator may determine to be appropriate;

**'Associated Cost'** means (1) any duty and/or tax that would be payable by the Issuer in respect of the Issue and sale of the Ordinary Shares and the Associated Cost Ordinary Shares and (2) other costs (including any brokerage fees) that would be payable, in respect of the issue and sale of the Ordinary Shares and the Associated Cost Ordinary Shares.

**'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 any Additional Business Centre specified in the applicable Final Terms and, if applicable, the relevant place of presentation of a Global Note; and
- (b) either (1) in relation to any sum payable in a Specified Currency (as specified in the applicable Final Terms) other than euro, a day on which commercial banks and foreign exchange markets settle payments in London and the principal financial centre of the country of the relevant Specified Currency (if other than London) and any Additional Business Centre and which if the Specified Currency is (a) Australian dollars, shall be Sydney, (b) New Zealand dollars, shall be Wellington, (c) Hong Kong dollars, shall be Hong Kong and (d) Japanese yen, shall be Tokyo or (2) in relation to any sum payable in euro, a TARGET Settlement Date;

**'Calculation Agent'** means the calculation agent in relation to the Capital Securities, or its successor or successors for the time being appointed under the Agency Agreement;

**'Calculation Amount'** has the meaning ascribed to it in the applicable Final Terms;

**'Capital Adequacy Regulations'** means at any time the regulations, requirements, guidelines, policies, decrees imposing obligations on the Issuer with respect to the maintenance of minimum levels of solvency margins and/or capital adequacy ratios and /or comparable margins or ratios, as well as regarding the supervision thereof by any existing or future regulator having primary supervisory authority with respect to the Issuer (currently the Dutch Central Bank (*De Nederlandsche Bank N.V.*));

**'Capital Disqualification Event'** means a change in any applicable law or regulation or in the official interpretation or application thereof, as a result of which, for the purposes of the Capital Adequacy Regulations, the Capital Securities no longer qualify as regulatory capital resources of the Issuer on a consolidated basis (except where such non-qualification is only as a result of any applicable limitation on the amount of such capital);

**'Coupon Amount'** means (i) in respect of a Coupon Payment, the amount of interest payable on a Capital Security for the relevant Coupon Period in accordance with Condition 5 and (ii) for the purposes of Conditions 7(c) and 7(d), any interest accrued from (and including) the preceding Coupon Payment Date (or, if none, the Issue Date) to (but excluding) the due date for redemption if not a Coupon Payment Date as provided for in Condition 5(a);

**'Coupon Payment'** means, in respect of a Coupon Payment Date, the aggregate Coupon Amounts for the Coupon Period ending on such Coupon Payment Date;

**'Coupon Payment Date'** means the date(s) specified as such in the Final Terms;

**'Coupon Period'** means the period commencing on (and including) the Issue Date and ending on (but excluding) the first Coupon Payment Date and each successive period commencing on (and including) a Coupon Payment Date and ending on (but excluding) the next succeeding Coupon Payment Date;

**'Coupon Rate'** has the meaning ascribed to that term in Conditions 5(b) and 5(c);

**'Deferred Coupon Payment'** means any Payment, or part thereof, which has been deferred in accordance with Conditions 4(a) or 4(b) and has not subsequently been satisfied;

**'Deferred Coupon Satisfaction Date'** means:

- (i) with respect to a deferral under Condition 4(a)(i), the Coupon Payment Date following the 19th Business Day after the Required Deferral Condition fails to be met or, if earlier, the date on which the Issuer has resolved to satisfy a Deferred Coupon Payment, as notified by the Issuer to the Holders, the Agent and the Calculation Agent in accordance with Condition 4(a)(ii); or
- (ii) the date on which the Issuer has resolved to satisfy a Deferred Coupon Payment, as notified by the Issuer to the Holders, the Agent and the Calculation Agent in accordance with Condition 6; or
- (iii) the date on which the Issuer is required to satisfy all Deferred Coupon Payments pursuant to Condition 4(c);

**'Dutch Central Bank'** means De Nederlandsche Bank N.V.;

**'Holder'** means the bearer of any Capital Security;

**'Initial ACSM Cap Period'** means the period of time as specified under the paragraph titled

**'Initial ACSM Cap Period'** in the Final Terms;

**'Issue Date'** means the date of initial issue of the Capital Securities as specified in the Final Terms;

**'Issuer'** means Fortis Bank (Nederland) N.V.;

**'Junior Guarantee'** means any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a Subsidiary or Undertaking and ranking on a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer or in respect of distributions or payment of dividends or any other payment thereon, after the Capital Securities;

**'Junior Securities'** means the Ordinary Shares, any preference shares of the Issuer or any other securities of the Issuer which rank as regards distributions on a return of assets on a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer or in respect of distributions or payment of dividends or any other payments thereon, after the Capital Securities;

**'Liabilities'** means the non-consolidated gross liabilities of the Issuer as shown by the then latest published audited balance sheet of the Issuer, but adjusted for contingencies and for subsequent events and to such extent as the directors, the auditors or, as the case may be, the liquidator may determine;

**'Mandatory Partial Payment'** payable on any Coupon Payment Date means a payment in respect of each Capital Security in an amount that results in payment of a proportion of a full Coupon Payment on the Capital Security on such Coupon Payment Date equal to the proportion of a full dividend on the relevant Parity Securities and/or payment on the relevant Parity Guarantee paid on the dividend or payment date in respect of the relevant Parity Securities and/or Parity Guarantee immediately preceding;

a **'Mandatory Partial Payment Event'** shall occur if any of the following occurs:

- (i) the Issuer declares, pays or distributes a dividend or makes a payment on any of its Parity Securities or makes any payment on a Parity Guarantee (except where it concerns a payment, purchase or redemption which the Issuer is obliged to make pursuant to its Articles of Association as they read prior to the relevant deferral or equity swap, forward, repo or equity derivative transactions concluded by the Issuer prior to the relevant deferral); or
- (ii) any Subsidiary or Undertaking declares, pays or distributes a dividend on any security issued by it benefiting from a Parity Guarantee or makes a payment on any security issued by it benefiting from a Parity Guarantee;

a **'Mandatory Payment Event'** shall occur if any of the following occurs:

- (i) the Issuer declares, pays or distributes a dividend or makes a payment (other than a dividend in the form of Ordinary Shares) on any of its Junior Securities or makes any payment on a Junior Guarantee;
- (ii) any Subsidiary or Undertaking declares, pays or distributes a dividend on any security issued by it benefiting from a Junior Guarantee or makes a payment (other than a dividend in the form of Ordinary Shares) on any security issued by it benefiting from a Junior Guarantee; or
- (iii) the Issuer or any Subsidiary or Undertaking redeems, purchases or otherwise acquires any of the Issuer's Junior Securities, any Parity Securities or any securities issued by any Subsidiary or Undertaking benefiting from a Junior Guarantee or Parity Guarantee (other than (1) by conversion into or in exchange for Ordinary Shares, (2) in connection with transactions effected by or for the account of customers of the Issuer or any Subsidiary or in connection with the distribution, trading or market making in respect of those securities, (3) in connection with the satisfaction by the Issuer or any Subsidiary of its obligations under any employee benefit plans or similar arrangements with or for the benefit of employees, officers, directors or consultants, (4) as a result of a reclassification of the Issuer or any Subsidiary or the exchange or conversion of one class or series of capital stock for another class or series of capital stock, or (5) the purchase of fractional interests in shares of the capital stock of the Issuer or any Subsidiary pursuant to the conversion or exchange provisions of that capital stock or the security being converted or exchanged) for any consideration, or any moneys are paid to or made available for a sinking fund or for redemption of any of any Junior Securities, Parity Securities or any securities issued by any Subsidiary or Undertaking benefiting from a Junior Guarantee or Parity Guarantee; in all such cases, except where it concerns a payment, purchase or redemption which the Issuer is obliged to make pursuant to its Articles of Association as they read prior to the relevant deferral or equity swap, forward, repo or equity derivative transactions concluded by the Issuer prior to the relevant deferral;

**'Market Disruption Event'** means (i) the occurrence or existence of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by Euronext Amsterdam

or on settlement procedures for transactions in the Ordinary Shares on Euronext Amsterdam by NYSE Euronext) if, in any such case, that suspension or limitation is, in the determination of the Issuer, material in the context of the sale of the Ordinary Shares, or (ii) in the opinion of the Issuer, there has been a substantial deterioration in the price and/or value of the Ordinary Shares or circumstances are such as to prevent or to a material extent restrict the issue or delivery of the Ordinary Shares for payment within the meaning of Condition 6(b), or (iii) where, pursuant to these Conditions, moneys are required to be converted from one currency into another currency in respect of any Payment, the occurrence of any event that makes it impracticable to effect such conversion;

**'Ordinary Shares'** means ordinary shares in the capital of the Issuer;

**'Ordinary Shares Threshold'** means, in connection with any Deferred Coupon Payment if specified as being applicable in the Final Terms, the aggregate number of Ordinary Shares issued and/or sold by the Issuer in any ACSM Cap Period shall not exceed 2 per cent. of the aggregate number of the Ordinary Shares in issue (including those held in issue and held in treasury), or such other amount as may be specified in the Final Terms;

**'Outstanding Payment'** means:

- (i) in relation to any Coupon Payment, Deferred Coupon Payment or Coupon Amount not falling within the definition of Coupon Payment, that such payment or amount (a) has either become due and payable or would have become due and payable except for the non-satisfaction on the relevant date of the conditions referred to in Condition 2(b) or the deferral, postponement or suspension of such payment in accordance with any of Conditions 4(a), 4(b), 6(d) or 6(e) and (b) in any such case has not been satisfied; and
- (ii) in relation to any Accrued Coupon Payment, any amount thereof which has not been satisfied whether or not payment has become due;

**'Parity Guarantee'** means any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a Subsidiary or an Undertaking or other securities (regardless of name or designation) of the Issuer or such Subsidiary or Undertaking which rank on a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer or in respect of distributions or payments thereon *pari passu* with the Capital Securities;

**'Parity Securities'** means, in respect of the Issuer, any securities which rank *pari passu* with the Capital Securities as regards distributions on a return of assets on a winding-up (*faillissement of vereffening na ontbinding*) of the Issuer or in respect of distribution or payment of any amounts thereunder by the Issuer;

**'Paying Agents'** means the paying agents appointed pursuant to the Agency Agreement and such term shall, unless the context otherwise requires, include the Agent;

**'Payment'** means any Coupon Payment, Deferred Coupon Payment, Accrued Coupon Payment or Coupon Amount not falling within the definition of Coupon Payment;

**'Regulatory Event'** means that the minimum capital adequacy required by the Decree on Prudential Rules Wft (*Besluit prudentiële regels Wft*) or such other capital adequacy ratios or other comparable margins or ratios under the Capital Adequacy Regulations, if any, are or as a result of a Payment would become less than the relevant minimum requirements as applied and enforced by the Dutch Central Bank (*De Nederlandsche Bank N.V.*) or such other applicable regulator;

**'Relevant Date'** means (i) in respect of any payment other than a Winding-Up Claim, the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Agent on or prior to such date, the 'Relevant Date' means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Holders in accordance with Condition 15 (*Notices*), and (ii) in respect of a Winding-Up Claim, the date which is one day prior to the commencement of the winding-up (*faillissement of vereffening na ontbinding*);

the **'Required Deferral Condition'** means any of the following:

- (a) the Issuer determines that it is not or, on the relevant date on which a Payment would be made after taking into account amounts payable on that date on the Capital Securities, will not be Solvent;
- (b) a Regulatory Event has occurred and continues to exist; or
- (c) the Dutch Central Bank (*De Nederlandsche Bank N.V.*) has requested or required the Issuer not to make any Payments on the Capital Securities;

**'Capital Securities'** means the Capital Securities specified in the applicable Final Terms and, unless the context otherwise requires, any further Capital Securities issued pursuant to Condition 16 (*Further Issues*) and forming a single series with the Capital Securities;

**'Senior Creditors'** means present and future creditors of the Issuer (a) who are unsubordinated creditors of the Issuer, or (b) whose claims are, or are expressed to be, subordinated (whether only in the event of the winding-up (*faillissement of vereffening na ontbinding*) of the Issuer or otherwise) to the claims of unsubordinated creditors of the Issuer, but not further or otherwise, or (c) who are subordinated creditors of the Issuer other than those whose claims are, or are expressed to rank, *pari passu* with, or junior to, the claims of the Holders;

**'Solvent'** means that (a) the Issuer is able to pay its debts to Senior Creditors as they fall due and (b) its Assets exceed its Liabilities (other than its liabilities to persons who are not Senior Creditors);

**'Specified Currency'** means the currency as specified in the Final Terms;

**'Specified Denomination'** means the denomination as specified in the Final Terms;

**'Subsequent ACSM Cap Period'** means the period of time as specified under the paragraph titled "*Subsequent ACSM Cap Period*" in the Final Terms;

**'Subsidiary'** means a subsidiary of the Issuer within the meaning of Section 2:24a of the Dutch Civil Code;

**'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 the euro, means one cent.

**'successor in business'** means, in relation to the Issuer:

- (a) a company or other entity to whom the Issuer validly and effectually, in accordance with all enactments, orders and regulations in force for the time being and from time to time, transfers the whole or a substantial part of its business, or assets for the purpose of assuming and conducting the business of the Issuer in its place; or
- (b) any other entity which acquires in any other manner all or substantially all the property and/or assets of the Issuer or carries on as a successor to the Issuer the whole or substantially the whole of the business carried on by the Issuer prior thereto, where in each of the cases in paragraphs (a) and (b) above the terms of the proposed transaction have previously been approved by an Extraordinary Resolution of the Holders.

**'TARGET Settlement Day'** means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer ("**TARGET2**") system is open;

**'Undertaking'** means a body corporate, partnership, limited partnership, cooperative or an incorporated association carrying on a trade or business with or without a view to profit in which the Issuer has a direct or indirect financial, commercial or contractual majority interest; and

**'Winding-Up Claim'** has the meaning ascribed to it in Condition 2(c).

## PROVISIONS RELATING TO THE NOTES WHILST IN GLOBAL FORM

### 1. Relationship of Accountholders with Relevant Clearing Systems

Each of the persons shown in the records of Euroclear Bank S.A./N.V. ("**Euroclear**"), Clearstream, Banking, société anonyme, Luxembourg ("**Clearstream Luxembourg**"), Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. ("**Euroclear Netherlands**") or any other clearing system as the holder of a Note represented by a Global Note (which expression includes a Temporary Global Note and a Permanent Global Note) or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg, Euroclear Netherlands or such other clearing system (as the case may be) for such person's share of each payment made by FB(N) to the bearer of such Global Note or the registered holder of such Global Certificate and in relation to all other rights arising under the Global Note and the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, Euroclear Netherlands or such clearing system (as the case may be). Such persons shall have no claim directly against FB(N) in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or such Global Certificate and such obligations of FB(N) will be discharged by payment to the bearer of such Global Note or the registered holder of such Global Certificate in respect of each amount so paid.

References in these provisions relating to the Notes in global form to "**holder**" or "**accountholder**" are to those persons shown in the records of the relevant clearing system as a holder of a Note, including those having a credit balance in the collective deposits held by Euroclear Netherlands or one of its participants.

Notes which are represented by a Global Note or a Global Certificate held by a common depositary for Euroclear or Clearstream, Luxembourg or by a common safekeeper or deposited with Euroclear Netherlands will be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg or Euroclear Netherlands, as the case may be. For Notes held by Euroclear Netherlands, deliveries will be made in accordance with the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*, "**Wge**") (as amended).

For so long as any of the Notes is represented by a Global Note or a Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg, Euroclear Netherlands or any other relevant clearing system each person (other than Euroclear or Clearstream, Luxembourg, Euroclear Netherlands or such other relevant clearing system) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg, Euroclear Netherlands or such other relevant clearing system as the holder of a particular nominal amount of such Notes, including, in the case of Euroclear Netherlands those having a credit balance in the collective deposits held by Euroclear Netherlands or one of its participants, (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg, Euroclear Netherlands or any other relevant clearing system as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by FB(N), any Paying Agent, any Transfer Agents and the Registrar as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant Global Note or the registered holder of the relevant Global Certificate shall be treated by FB(N), any Paying Agent, any Transfer Agent and the Registrar as the holder of such Notes in accordance with and subject to the terms of the relevant global Note (and the expressions *Noteholder* and *Holder of Notes* and related expressions shall be construed accordingly).

### 2. Form and Exchange of Bearer Notes

#### (i) *TEFRA D* or *TEFRA C*

The Final Terms shall specify whether U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") or U.S. Treasury Regulation § 1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") shall apply. Each Tranche of Bearer Notes is represented upon issue by a temporary global Note (a "**Temporary Global Note**"), unless the Final Terms specifies otherwise and the TEFRA C Rules apply.

Where the Final Terms applicable to a Tranche of Bearer Notes specifies that the TEFRA C Rules apply, such Tranche is (unless otherwise specified in the Final Terms) represented upon issue by a permanent global Note ("**Permanent Global Note**").

Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "Global Note") which is not intended to be issued in new global note ("**NGN**") form ("**Classic Global Note**" or "**CGN**"), as specified in the applicable Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes either (i) with a depositary or a common depositary for Euroclear and/or Clearstream Luxembourg and/or any other relevant clearing system or (ii) with Euroclear Netherlands. Each Global Note which is intended to be issued in NGN form, as specified in the applicable Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that Notes in NGN form are in compliance with the "*Standards for the use of EU securities settlement systems in ESCB credit operations*"

of the central banking system for the euro (the "**Euro system**"), provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Euro system operations if the NGN form is used.

Interests in a Temporary Global Note may be exchanged for:

- (i) interests in a Permanent Global Note upon presentation and (in the case of final exchange) surrender of the Temporary Global Note to or to the order of the Agent; or
- (ii) if so specified in the Final Terms, definitive Notes in bearer form ("**Definitive Notes**").

Exchanges of interests in a Temporary Global Note for Definitive Notes or, as the case may be, a Permanent Global Note will be made only on or after the date which is 40 days, but, if the Temporary Global Note is deposited with Euroclear Netherlands, not later than 90 days after the issue date of the relevant Tranche of Notes (the "**Exchange Date**") and (unless the Final Terms specifies that the TEFRA C Rules are applicable to the Notes) provided certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received.

The following legend will appear on all Global Notes, definitive Notes, receipts and interest coupons (including talons) which are subject to TEFRA D selling restrictions:

"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 OF 1986."

The following legend will appear on all Global Notes held in Euroclear Netherlands:

*"Notice: This Note is issued for deposit with Euroclear Netherlands at Amsterdam, The Netherlands. Any person being offered this Note for transfer or any other purpose should be aware that theft or fraud is almost certain to be involved."*

(ii) *Limitation on entitlement under a Temporary Global Note after Exchange Date*

Holders of interests in any Temporary Global Note shall not (unless, upon due presentation of such Temporary Global Note for exchange (in whole but not in part only) for a Permanent Global Note or for delivery of Definitive Notes such exchange or delivery is improperly withheld or refused and such withholding or refusal is continuing at the relevant payment date) be entitled to receive any payment in respect of the Notes represented by such Temporary Global Note which falls due on or after the Exchange Date or be entitled to exercise any option on a date after the Exchange Date.

(iii) *Certification of non-U.S. beneficial ownership*

Unless the applicable Final Terms specifies that the TEFRA C Rules are applicable to the Notes and subject to paragraph (b) above, if any date on which a payment of interest is due on the Notes of a Tranche occurs whilst any of the Notes of that Tranche are represented by a Temporary Global Note, the related interest payment will be made on the Temporary Global Note only to the extent that certification as to the beneficial ownership thereof as required by U.S. Treasury regulations (in substantially the form set out in the Temporary Global Note or in such other form as is customarily issued in such circumstances by the relevant clearing system) has been received by Euroclear or Clearstream, Luxembourg, Euroclear Netherlands or any other relevant clearing system which may be specified in the Final Terms. Payments of amounts due in respect of a Permanent Global Note or (subject to paragraph (b) above) a Temporary Global Note (if the Final Terms specifies that the TEFRA C Rules are applicable to the Notes) will be made through Euroclear or Clearstream, Luxembourg, Euroclear Netherlands or any other relevant clearing system without any requirement for certification.

(iv) *Exchange for Definitive Notes*

- (v) Unless the applicable Final Terms specifies that a Permanent Global Note is not exchangeable for Definitive Notes, interests in a Permanent Global Note will be exchanged (subject to the period allowed for delivery as set out in (i) below), in whole but not in part only and at the request of Holder of such Global Note:

- (i) if the applicable Final Terms specifies "in the limited circumstances specified in the Permanent Global Note", then if either of the following events occurs:
  - (i) if Euroclear or Clearstream Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or



- (ii) any of the circumstances described in MTN Condition 6 respectively Capital Securities Condition 10 occurs; or
- (ii) if so specified in the applicable Final Terms, at any time or on the expiry of a period of notice, if so specified in the Final Terms.

Whenever a Permanent Global Note is to be exchanged for Definitive Notes FB(N) shall procure the prompt delivery of such Definitive Notes, duly authenticated and where and to the extent applicable, with Receipts, Coupons and Talons attached (each as defined in MTN Condition 1(a)), in an aggregate principal amount equal to the principal amount of such Permanent Global Note to the Holder of the Permanent Global Note against its surrender to or to the order of the Agent within 30 days of the Holder requesting such exchange.

Furthermore, if,

- (i) Definitive Notes have not been delivered in accordance with the foregoing by 5.00 p.m. (London time) on the thirtieth day after the Holder has requested exchange; or
- (ii) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of the Redemption Amount (as defined in MTN Condition 5(h)(ii)) or any redemption amount or exchange or conversion in respect of Capital Securities together with all accrued interest thereon or delivery of assets has not been made to the Holder in accordance with the Conditions on the due date for payment,

then such Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (i) above) or at 5.00 p.m. (London time) on such due date (in the case of (ii) above) and the Holder of the Permanent Global Note will have no further rights thereunder. In such event, holders of interests in such Global Note credited to their accounts with the relevant clearing system(s) will become entitled to proceed directly against FB(N) on the basis of statements of account provided by the relevant clearing system(s) on and subject to the terms of the relevant Global Note.

Holders of beneficial interests in Notes deposited with or delivered to Euroclear Netherlands shall not have the right to request delivery (*uitlevering*) of Definitive Notes under the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) other than as specified in the applicable Final Terms or the relevant Global Note.

### 3. Form and Exchange of Registered Notes

Each Tranche of Medium Term Notes in registered form will be represented by a Global Certificate which will be delivered to, and registered in the name of, or in the name of a nominee for (i) a common depository for Euroclear and Clearstream, Luxembourg or any other relevant clearing system or (ii) Euroclear Netherlands.

Unless the applicable Final Terms specifies that a Global Certificate is not exchangeable for Individual Certificates, interests in a Global Certificate will be exchanged (subject to the period allowed for delivery as set out in (i) below), in whole but not in part only and at the request of the Holder of such Global Certificate, for Individual Certificates:

- (a) if the applicable Final Terms specifies "in the limited circumstances specified in the Global Certificate", then if either of the following events occurs:
  - (i) if (if the Global Certificate is deposited with a clearing system) Euroclear or Clearstream Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
  - (ii) any of the circumstances described in MTN Condition 6 (*Events of Default and Subordinated Events*) occurs; or
- (b) if so specified in the applicable Final Terms, at any time or on the expiry of a period of notice.

Whenever a Global Certificate is to be exchanged for Individual Certificates FB(N) shall procure the prompt delivery of such Individual Certificates, duly authenticated and in an aggregate principal amount equal to the principal amount of such Global Certificate to the Holder of the Global Certificate against its surrender to or to the order of the Agent within 30 days of the Holder requesting such exchange.

Furthermore, if,

- (i) Individual Certificates have not been delivered in accordance with the foregoing by 5.00 p.m. (London time) on the thirtieth day after the Holder has requested exchange; or
- (ii) the Global Certificate (or any part thereof) has become due and payable in accordance with the Conditions or the date for final redemption of the Global Certificate has occurred and, in either case, payment in full of the amount of the Redemption Amount (as defined MTN Condition 5(h)(ii)) together with all accrued interest thereon or delivery of assets has not been made to the Holder in accordance with the Conditions on the due date for payment,

then such Global Certificate (including the obligation to deliver Individual Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (i) above) or at 5.00 p.m. (London time) on such due date (in the case of (ii) above) and the Holder of the Global Certificate will have no further rights thereunder. In such event, holders of interests in such Global Certificate credited to their accounts with the relevant clearing system(s) will become entitled to proceed directly against FB(N) on the basis of statements of account provided by the relevant clearing system(s) on and subject to the terms of the relevant Global Certificate.

Holders of beneficial interests in Notes deposited with or delivered to Euroclear Netherlands shall not have the right to request delivery (*uitlevering*) of Individual Certificates under the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) other than as specified in the applicable Final Terms or the relevant Global Certificate.

#### 4. **Amendment to Conditions**

The Temporary Global Notes, Permanent Global Notes and the Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Terms and Conditions of the Notes set out in this Base Prospectus. The following is a summary of certain of those provisions:

##### (i) *Meetings*

The Holder of a Global Note shall (unless such Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Holders and, at any such meeting, the Holder of a Global Note or a Global Certificate shall be treated as having one vote in respect of each unit of currency relating to the principal amount of Notes held by such bearer (as set out in the applicable Final Terms or Drawdown Prospectus (as the case may be)) for which such Global Note may be exchanged.

##### (ii) *Cancellation*

Cancellation of any Note represented by a Permanent Global Note or a Global Certificate that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Permanent Global Note or a Global Certificate.

##### (iii) *Purchase*

Notes represented by a Global Note may only be purchased by FB(N) or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

##### (iv) *Issuer's Option*

Any option of FB(N) provided for in the Conditions while such Notes are represented by a Permanent Global Note or a Global Certificate shall be exercised by FB(N) giving notice to the Holders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of FB(N) is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg, Euroclear Netherlands or any other clearing system (as the case may be).

##### (v) *Holders' Options*

Any option of the Holders provided for in the MTN Conditions of any Medium Term Notes while such Medium Term Notes are represented by a Permanent Global Note or a Global Certificate may be exercised by the Holder of the Permanent Global Note or a Global Certificate giving notice to the Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) within the time limits relating to the deposit of Notes with a Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) set out in the MTN Conditions substantially in the form of the notice available from any Paying Agent or the Registrar except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the principal amount of Notes in respect of which the option is exercised and at the same time presenting the Permanent Global Note or

the Global Certificate to the Agent, or to a Paying Agent acting on behalf of the Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes), for notation.

(vi) *Notices*

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of a clearing system, notices to the Holders of Notes of that Series may be given by delivery of the relevant notice to the clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions except that (i) so long as any Notes are admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and the rules of that exchange so require, notices shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and (ii) so long as any Notes are admitted to listing, trading and/or quotation on Euronext Amsterdam by NYSE Euronext or by any other competent authority, stock exchange and/or quotation system, notices shall also be published in such other place as may be required by the rules and regulations of such competent authority, stock exchange and/or quotation system.

5. **Partly Paid Notes**

While any Partly Paid Instalments due from the holder of Partly Paid Notes are overdue, no interest in a Temporary Global Note representing such Notes may be exchanged for an interest in a Permanent Global Note or for Definitive Notes. If any Holder fails to pay any instalment due on any Partly Paid Notes within the time specified, FB(N) may forfeit such Notes and shall have no further obligation to such Holder in respect of them.

6. **Notes where denominations involve integral multiples**

In relation to any Notes with a Specified Denomination of EUR 50,000 and higher integral multiples of EUR 1,000, so long as such Notes are represented by a Temporary Global Note, Permanent Global Note or Global Certificate and the relevant clearing system(s) so permit, such Notes will be tradeable only in the minimum authorised denomination of EUR 50,000 and higher integral multiples of EUR 1,000, notwithstanding that no definitive notes will be issued with a denomination above EUR 99,000.

## **USE OF PROCEEDS**

FB(N) shall use the net proceeds from each issue of Notes for general corporate purposes and to meet part of the financing requirements stemming from the activities of FB(N) and its subsidiaries on the Dutch mortgage market.

## DESCRIPTION OF THE ISSUER

### Incorporation

Fortis Bank (Nederland) N.V. ("**FB(N)**"), a public limited liability company (*naamloze vennootschap*), was incorporated under Dutch law on 29 November 1986. The corporate seat of FB(N) is in Amsterdam, The Netherlands. The registered office of FB(N) is Prins Bernhardplein 200, 1097 JB Amsterdam, telephone number +31 (0)20 5279111 and FB(N) is registered in the Commercial Register of the Amsterdam Chamber of Commerce (*handelsregister van de Kamer van Koophandel en Fabrieken in Amsterdam*), under number 30080248.

### Company's purpose

FB(N)'s objectives are to engage in the banking business; to render insurance intermediary services; to participate in, to conduct the management of and to finance other businesses of whatever nature; and to render (staff) services and other support to group companies, to invest and manage assets and to guarantee debts of affiliated companies.

### Summarised description of current activities

FB(N) is made up of several businesses, including:

#### Retail Banking

- Direktbank
- Alfam
- International Card Services

#### Merchant Banking

- Corporate Banking
- Energy, Commodities & Transportation and Principal Finance
- Investment Banking
- Global Markets & Global Securities Financing Group
- Brokerage, Clearing & Custody
- Prime Fund Solutions
- Fortis Commercial Finance
- Transaction Banking
- Trade Services

#### Commercial & Private Banking

- Commercial Banking
- Private Banking (MeesPierson)

#### (a) Retail Banking

Retail Banking consists of Retail Banking Nederland, Direktbank, Alfam and International Card Services. Retail Banking serves individuals, small businesses and self-employed people. Its mission is to create a profitable and solid business by delivering first-class service to both current and prospective customers. This mission has been translated into a strategy and service concept designed to meet customer expectations.

FB(N) serves 2.1 million retail customers and 52,000 small and mid-sized companies and professionals and its national network breaks down into six regions with a total of 156 branches. FB(N) offers a wide variety of banking and insurance products and services through the branch network, online and via Contact Centres.

#### (i) Direktbank

Direktbank sells mortgages and works exclusively with independent mortgage advisers. Directbank offers most types of mortgage, as well as service products such as bank guarantees and removal loans (*overbruggingskredieten*).

To respond more alertly to the market's needs and to maximise return from the organisation, Direktbank sells mortgages through its subsidiaries Fortis Hypotheken Bank N.V., Alkmaar Hypotheken, LOGON Hypotheken B.V., Oosteroever Hypotheken, Quion 9 and Qent Hypotheken. Direktbank works with some of the largest mortgage chains and mortgage purchasing combines in the Netherlands.

(ii) *Alfam*

Alfam is the competence centre for consumer finance. As a financial processing unit, its job is to ensure accurate administration of consumer loans.

Alfam sells consumer loans via intermediaries under three different labels: Alpha Credit Nederland, Credivance and Defam.

(iii) *International Card Services*

International Card Services ("**ICS**") is FB(N)'s credit card specialist. ICS issues, promotes, manages and processes credit card transactions. It also offers customers other financial services too, such as insurance products and revolving credit facilities.

ICS facilitates a large number of co-branded credit card programmes, such as the ANWB Visa Card, Bijenkorf MasterCard, Fortis Bank Visa Card and MasterCard, Piet Zoomers MasterCard and BMW Visa Card.

(b) *Merchant Banking*

Merchant Banking is the international wholesale bank of FB(N). It provides tailored financial services to domestic and international companies and to institutional clients.

Merchant Banking is made up of the following business lines:

(i) *Corporate Banking*

Corporate Banking manages relationships with corporations generating turnover in excess of EUR 250 million. Corporate Banking focuses primarily on Dutch companies that are listed on a stock exchange. Its service is based on intensive relationship management in which it acts as the client's strategic partner in all stages of the client's operations. Corporate Banking provides corporate lending, investment banking, cash management, global markets products and trade services.

(ii) *Energy, Commodities & Transportation and Principal Finance*

Energy, Commodities & Transportation ("**ECT**") serves clients active in the energy, commodity and transportation industries from its offices in Amsterdam, Rotterdam and Oslo. It currently has two representative offices in Dubai and São Paulo, and plans to open new offices in Singapore and New York in 2009.

ECT consists of the following business lines:

*ECT-Energy*

ECT-Energy serves clients in offshore oil & gas services, oil & gas, power & utilities, renewables (wind and solar energy) and carbon banking. Through Fortis Groenbank in Utrecht, a separate legal entity, ECT-Energy provides green financing to companies that invest in sustainable projects in the Netherlands.

*ECT-Commodities*

ECT-Commodities finances the physical flow of commodities, from the pre production stage through to storage and delivery. Its clients are international traders, producers, suppliers, transporters and purchasers active in the agriculture, metals and energy industries.

*ECT-Transportation*

ECT-Transportation offers structured and innovative financing solutions to companies active in deep-sea shipping, offshore and oil field services, container transport and aviation.

*Principal Finance*

Principal Finance invests in assets such as ships, aircraft, containers, trains, solar panels, windmills, infrastructure, as well as in projects and companies that use these assets. Principal Finance also structures the financing related to such investments.

(iii) *Investment Banking*

Investment Banking provides specialised services, products and know-how to clients of Corporate Banking, Commercial Banking and ECT through the following segments:

*Sectors*

Public Sector provides financial services and advice to public institutions such as housing associations, municipalities, provinces and water boards. In addition a dedicated team serves health-care institutions such as hospitals and nursing homes.

Real Estate Finance offers tailor-made services and advice to professional investors and developers in the real estate sector.

*Skills*

Export & Project Finance advises on and finances export to emerging countries and projects in these countries, while focusing on public private partnerships and infrastructure finance in industrialised countries. Its clients are exporters and importers, investors and entrepreneurs.

Acquisition Leveraged Finance finances mergers, acquisitions, management buy-outs and leveraged buy-outs in the Dutch commercial market.

Syndications is responsible for structuring and distributing syndicated loans. It provides the bank with up-to-the-minute market information and maintains contacts with external parties, such as institutional investors and industry peers.

Structured Finance offers institutional and wholesale clients financing designed to achieve efficient asset and liability management.

*Advice*

Corporate Finance & Capital Markets advises and supervises clients in mergers and acquisitions, IPOs, share issuances and bond issues, and advises on valuation and restructuring.

*Shareholdings*

Fortis Private Equity invests in the risk capital of companies with long-term objectives, adding value by actively participating in the company's strategic policy-making.

(iv) *Global Markets & Global Securities Financing Group*

Global Markets provides innovative, tailor-made and integrated financial solutions to financing, investing and hedging needs. It serves internal customers – Intertrust, Brokerage, Clearing & Custody and Prime Fund Solutions – as well as external customers such as asset managers, hedge funds and clients of Commercial & Corporate Banking, Private and Retail Banking.

The Securities Financing Group has offices in Europe and Asia and expects to open a US office in 2009. FX & Rates Trading is a market maker for foreign currency and interest rate products. FX & Rates Sales advises internal and external Fortis Bank Nederland customers on foreign currency, money market and foreign currency derivative products. Energy, Carbon, Commodities facilitates the trade in carbon, energy and commodity products with all Fortis Bank Nederland customers. Equities Brokerage & Research is a full services broker of Benelux all cap equities. Financial Institutions Group sells Merchant Banking products to banks and other financial institutions in OECD countries and emerging markets.

Global Markets pursues growth by focusing on specific niche markets and on innovation. A new 'front to finance' IT platform scheduled for integration should contribute to enhancing transparency and internal control.

(v) *Brokerage, Clearing & Custody*

Brokerage, Clearing & Custody ("**BCC**") offers an integrated package of brokerage, clearing and custody services. It offers market access and derivatives and securities clearing services on more than 60 exchanges. BCC targets professional traders and supports them in every part of the value chain by providing market access, execution and worldwide clearing and settlement services. BCC also offers collateralised financing and securities borrowing and lending services to professional traders (brokers, market makers); full brokerage and custody services to other retail and private banks; global and local custody services to institutions; and a platform that provides central counterparty services, via the subsidiary European Multilateral Clearing Facility, to alternative trading platforms (e.g. Chi-X, BATS, Nasdaq OMX Europe).

(vi) Prime Fund Solutions

Prime Fund Solutions offers fund services and financing to the alternative asset management industry. It provides an integrated package of fund administration, transfer agency, cash management, custody, bridge and leverage financing and prime brokerage services to hedge funds and funds of hedge funds.

(vii) Fortis Commercial Finance

Fortis Commercial Finance ("**FCF**") performs FB(N)'s factoring activities which include accounts receivable finance, inventory finance, multi-local commercial finance, floor planning (automobile industry), reverse factoring, import and export factoring, credit cover and risk cover.

FCF operates an extensive international network that serves clients in twenty countries, including the Netherlands, Belgium, France, Germany, the United Kingdom, Spain, Turkey, Denmark, Poland, Italy, Switzerland, Luxembourg, Sweden and Hong Kong. It has partnerships in Austria, Romania, the Czech Republic, Slovakia, Hungary and Portugal.

(viii) Global Trade Services

Global Trade Services supports businesses in their international trade activities and helps them to control payment and delivery-related risks with the following products: advice, negotiation and confirmation of letters of credit, debt collection processing, guarantee issuing, and special products such as transferable and back-to-back constructions, supplier credit and debt discounting.

(ix) Transaction Banking

Transaction Banking advises companies on managing cash flow and operating capital, with an emphasis on structuring complex charts of accounts, credits, financial information flows and cash management.

(c) Commercial & Private Banking

Commercial Banking focuses on mid-sized and large companies with a turnover between EUR 2.5 million and EUR 250 million. Private Banking offers bespoke private wealth management services.

Commercial & Private Banking consists of the following business lines: (i) Private Banking (MeesPierson) and (ii) Commercial Banking.

(i) Private Banking (MeesPierson)

Fortis Bank Nederland's private banking operations in the Netherlands, Curaçao and Guernsey are conducted under the MeesPierson label. MeesPierson offers private banking expertise and tailor-made wealth management services, including financing, asset structuring, insurance and property and serves clients in two segments: Top Wealth Management and Private Wealth Management.

(ii) Commercial Banking

Commercial Banking focuses on mid-sized and large companies with turnover between EUR 2.5 million and EUR 250 million. Commercial Banking focuses primarily on companies with international operations or on domestic companies with sufficient cross-selling opportunities. Commercial Banking offers a wide spectrum of cash management, business finance, factoring, treasury and global trade services through a network of 23 Business Centres in five regions throughout the Netherlands. The Business Centre network is supported by four regional mid-offices (Business Support Units).

**Capital or equivalent of FB(N)**

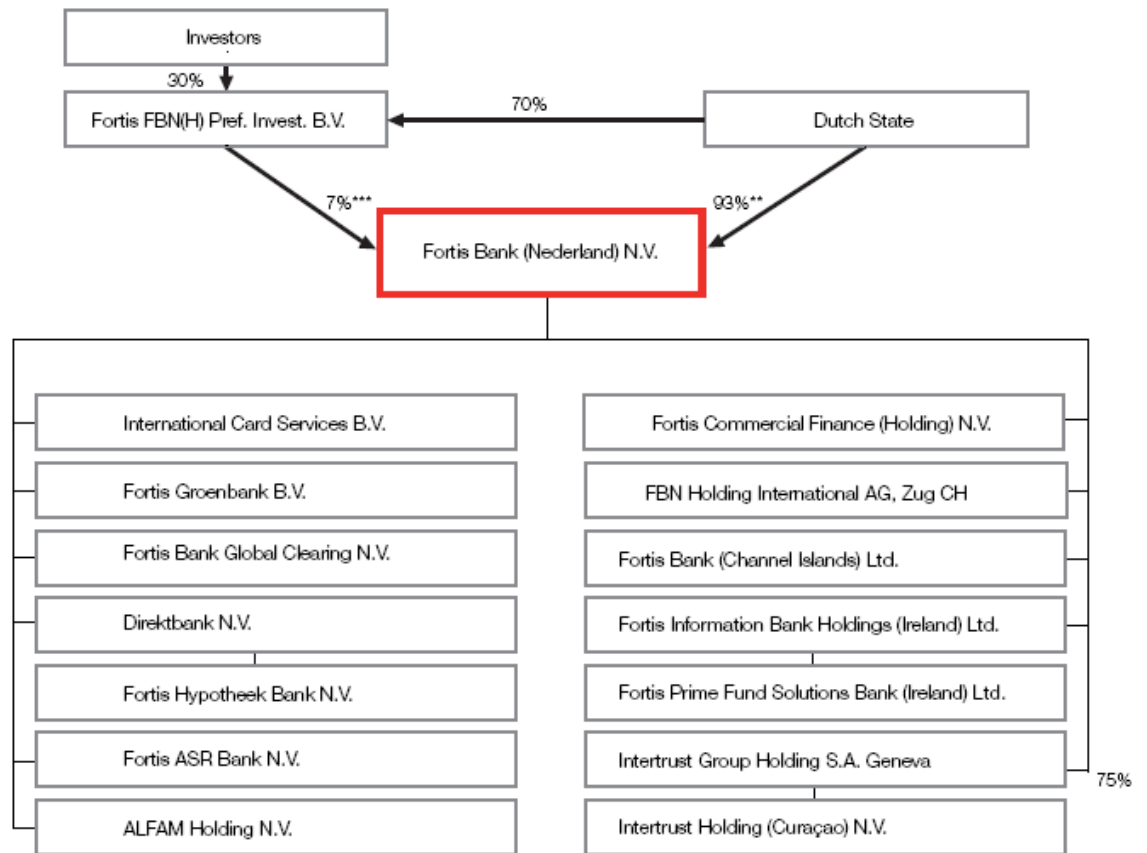
The authorised capital amounts to one billion one hundred and seventy-six million eight hundred fifty-six thousand five hundred EURO (EUR 1,176,856,500.00) and is divided into: two million two hundred three thousand and seven hundred eleven ordinary shares (2,203,711) of five hundred EURO each; and one hundred fifty thousand non-cumulative preference shares A (150,000) of five hundred EURO (EUR 500.00) each; and two non-cumulative preference shares convertible in ordinary shares B of five hundred EURO (EUR 500.00) each.

**Main shareholders**

The shareholders of FB(N) are The State of The Netherlands and Fortis FBN(H) Preferred Investments B.V. The State of The Netherlands holds all the outstanding ordinary shares as well as two non-cumulative preference shares convertible into ordinary shares B.

Fortis FBN(H) Preferred Investments B.V. holds one hundred fifty thousand non-cumulative preference shares A. The State of The Netherlands holds a majority of shares in FBN(H) Preferred Investments B.V.





(\*) See Annual Financial Statements 2008, p. 179, for a list of participations, reported and published according to Article 2:414 of the Dutch Civil Code

(\*\*) Total interest of the Dutch State, including indirect interest, is 97.9%

(\*\*\*) Comprises non-cumulative Preference Shares A

<b>Board of Directors</b>	<b>Principal activities performed by them outside FB(N) which are significant with respect to FB(N)*</b>
Mr. J.C.M. van Rutte	None
Mr. J.R. Dijst	None
Mr. F.M.R. van der Horst	None

#### **Non-Statutory Directors**

Mr. H.P.F.E. Bos	None
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#### **Supervisory Board**

Mr. J.H.M. Lindenberg	Several memberships in Supervisory Boards of other companies.
Ms. I. Brakman	Chair of the Board of Commissioners of the Dutch Media Authority and member of the Supervisory Board of the University of Amsterdam.
Mrs. A.P. van der Veer-Vergeer	Member of the Supervisory Board of the Netherlands Public Broadcasting and an adviser to the National Register of Directors and Supervisors.
Mrs. H.M. Vletter-van Dort	Professor of Financial Law at Erasmus University in Rotterdam and the University of Groningen.
Mr. E.A.J. van de Merwe	Independent adviser.
Mr. M. Enthoven	Member of the Supervisory Board of ABN AMRO and director of RFS Holdings.

\*Except for their principal functions in FB(N) or its subsidiaries, directors' other functions within FB(N) or its subsidiaries have not been included.

There are no conflicts of interest between the duties of the persons listed above to FB(N) and their private interests or other duties.

The business address of Mr. J.R. Dijst is Rokin 55, 1012 KK Amsterdam, The Netherlands. The business address of Mr H.P.F.E. Bos and Mr J.C.M. van Rutte is Blaak 555, 3011 GB Rotterdam, The Netherlands. The business address of Mr. F.M.R. van der Horst is Prins Bernhardplein 200, 1097JB Amsterdam, The Netherlands.

The business address of the members of FB(N)'s Supervisory Board is Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands.

#### **Statutory Auditors**

The financial statements of FB(N) for the year ending 31 December 2007 and 31 December 2008 have been audited without qualification by KPMG Accountants N.V. ("**KPMG**"), a public limited liability company, with its address at P.O. Box 74500, 1070 DB Amstelveen, The Netherlands who have given, and have not withdrawn, their consent to the inclusion of their report in this Base Prospectus in the form and context in which it is included.

The semi-annual financial statements for the 6 months ended 30 June 2009 are unaudited but have been reviewed by KPMG who have given, and have not withdrawn, their consent to the inclusion of their report in this Base Prospectus in the form and context in which it is included.

The register accountants working for KPMG are all members of the Royal Netherlands Institute of Register Accountants (NIVRA).

## **Recent Developments**

### ***Separation of FB(N) from Fortis Bank SA/NV, the Fortis group, ASR Nederland and Fortis Corporate Insurance***

On 3 October, 2008, the Dutch government acquired all ordinary shares in FB(N) from Fortis Bank SA/NV. Due to its cross border organisation, the split between the two entities has led to a number of separation projects, particularly within Global Markets, client & deal administration, website & online banking, securities handling and finance & risk systems. The intentions are that by the end of the third quarter of 2010, both entities will be fully separated. At the date of this Base Prospectus, the separation process is on track.

As a result of the separation, the Dutch government granted FB(N) EUR 9,200,000,000 long term debt funding.

On 21 November 2008, the Dutch government communicated that the insurance business will not be part of the bank in the future. At the time of communication, ASR Nederland and FB(N) were equally dependent on each other for information technology, human resources and facilities related services due to the fact that Fortis, as a group, had set up a cross-border structure to service its business from a central organisation. A separation plan has been constructed and signing is pending due to finalisation of financial negotiations. All cross services are expected to be terminated by the end of the third quarter of 2010. At the date of this Base Prospectus, the separation process is on track.

On 20 May 2009, a separation agreement with Fortis Corporate Insurance ("**FCI**") was signed. The scope of the separation from FCI is limited to nine projects and is in progress as of the date of this Base Prospectus. This separation is expected to be completed by the third quarter of 2010.

A joint cross-border governance structure between Fortis NV/SA and FB(N) has been set up to execute the separation and address upcoming issues. Furthermore a tailored governance structure has been set up within FB(N) to steer its domestic and international separation activities. A similar structure has been set up for the separation of ASR.

### ***Integration FB(N) with ABN AMRO Bank N.V.***

On 21 November 2008, the Dutch State announced its intention to integrate FB(N) with the part of ABN AMRO Bank N.V. that has been allocated to the Dutch State. The integration efforts will be pursued under the leadership of Mr Gerrit Zalm, designated CEO of the combined bank. The integration of FB(N) with the relevant part of ABN AMRO Bank N.V. is subject to satisfaction of the EC remedy, as well as the approval of the relevant supervisory authorities (including the Dutch Central Bank (De Nederlandsche Bank N.V.)).

To comply with the EC remedy, the Dutch Ministry of Finance reached a heads of agreement with Deutsche Bank AG on 19 October 2009 regarding the sale of New HBU II N.V. and IFN Nederland B.V., both being part of the part of ABN AMRO Bank N.V. that has been allocated to the Dutch State. A definitive agreement must be reached within the timeframe dictated by the European Commission and will be subject to the approval of various bodies, such as the European Commission, the Dutch Parliament and the Supervisory Board and Managing Board of ABN AMRO Bank N.V.

FB(N) and the relevant part of ABN AMRO Bank N.V. allocated to the Dutch State are currently making preparations to ensure the integration can be conducted after the legal requirements are fulfilled.

### ***Simplification of Legal Structure***

FB(N) simplified its legal structure on 1 September 2009. By way of a legal merger in accordance with the Dutch Civil Code, Fortis Bank (Nederland) N.V. (the "**Disappearing Company**") (a 100% subsidiary of the Issuer under the old legal structure) has merged with the Issuer (the "**Acquiring Company**") (named Fortis Bank Nederland (Holding) N.V. under the old legal structure). As a result, the Acquiring Company acquired all assets and liabilities of the Disappearing Company by universal succession; the Disappearing Company has ceased to exist; and on the effective date of the merger, the Acquiring Company changed its statutory name into Fortis Bank (Nederland) N.V.

### ***Transfer of FB(N)'s stake in RFS Holdings B.V. to the Dutch State***

On 24 December 2008, FB(N) sold and transferred its stake in RFS Holdings B.V. to the Dutch State for EUR 6.5 billion. The transfer simplified the governance structure of FB(N) and had a positive effect on the solvency of FB(N).

### ***Madoff***

The 2008 financial results of FB(N) were heavily impacted by the alleged fraud at Bernard L. Madoff Investment Securities LLC (BLMIS) because certain funds to which FB(N) provided collateralised lending were indirectly exposed to BLMIS. Even though the facts surrounding the alleged fraud are unclear, a credit provision was taken in relation to this alleged fraud amounting to EUR 922 million after tax.

### ***Sale of share in EMCF***

On 1 January 2009, FB(N) sold a 22% share of European Multilateral Clearing Facility (EMCF) to Nasdaq OMX AB to sustain further growth. In return EMCF will become the incumbent central counterparty for the Nordics market.

### ***Sale of Fortis Intertrust***

On Friday, 4 September 2009, FB(N), BGL BNP PARIBAS S.A. and Waterland Private Equity Investments B.V. ("**Waterland**") reached an agreement on the divestment of Fortis Intertrust Group Holding S.A. to Waterland. After obtaining the regulatory and other necessary approvals, the sale is expected to be finalised in late 2009.

### ***Sale of PrimeFundSolutions***

FB(N)'s management has been considering on a continuous basis all strategic options regarding its diverse range of activities. The PrimeFundSolutions business line is part of this strategic review. Based on this analysis, FB(N) has concluded that it is in the interest of both FB(N) and PrimeFundSolutions to look for a suitable and strong partner to continue to strengthen and drive the further growth of PrimeFundSolutions. This process is ongoing.

### ***Bankruptcy of DSB Bank N.V. and potential payments under Dutch deposit guarantee scheme***

Following the bankruptcy of DSB Bank N.V., a Dutch licensed bank, in October 2009, FB(N) may be required to contribute to the compensation of holders of deposits with DSB Bank N.V. pursuant to the rules of the Dutch deposit guarantee scheme (*depositogarantiestelsel*). At the date of this Base Prospectus, it is still to be determined if and to what extent FB(N) must contribute, however, FB(N) does not expect its portion to be material for FB(N)'s solvency and liquidity. Besides the contribution to the Dutch deposit guarantee scheme, FB(N) has a commercial relationship with DSB Bank N.V. but does not expect to incur material losses out of this relationship.

### ***Outlook 2009***

Financial institutions have lost the market's confidence. The current recession, market turmoil and negative economic outlook will not make it any easier to regain that confidence. Financial institutions will only be able to do so if they can demonstrate that they have a sound balance sheet combined with a strong financial position and senior management that is fully in control of the situation.

FB(N) faces an even bigger challenge than many other banks, to convince the market that it is a bank that can operate under its business model independently from Fortis Bank SA/NV.

Looking ahead to 2009, FB(N) expects continued turmoil in the financial markets and in the real economy. Against that background, FB(N) will address the dual challenges of separation from both Fortis Bank SA/NV and ASR Nederland, and proposed integration with the relevant part of ABN AMRO Bank N.V. This promises to be a challenging year, filled with change, working towards laying the foundation of a new bank, while taking a thorough look at the business portfolios.

### ***Legal and arbitration proceedings***

Other than as set out below, FB(N) is not aware of any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which FB(N) is aware) in the 12 months preceding the date of this Base Prospectus, which may have or have had in such period a significant effect on the financial position or profitability of FB(N) and its subsidiaries.

On Thursday, 25 June 2009, the court in Amsterdam delivered judgement in the summary hearing brought by Fortis Capital Company Ltd. ("**FCC**"), a wholly-owned subsidiary of FB(N), against Fortis N.V. and Fortis SA/NV (the "**Fortis Holdings**"). At this summary hearing it was questioned who should pay the cash settlement of a large portion (valued at EUR 362,511,000.00) of the preference shares issued by FCC in 1999. The court ruled in favour of FCC and ordered the Fortis Holdings to pay EUR 362,511,000 by 29 June 2009 at the latest. The court rejected the Fortis Holdings' counterclaim for compensation, as well as their claim for compensation against FB(N).

The Fortis Holdings have announced their intention to lodge an appeal against the court order and to make a claim for compensation by FB(N) for this payment.

### ***Changes in FB(N)'s prospects or financial position***

There has been no material adverse change in FB(N)'s prospects since 31 December 2008 nor any significant changes in the financial position of FB(N) or FB(N) and its subsidiaries since 30 June 2009.

## TAXATION

*The following summary of certain Dutch and Luxembourg taxation matters is based on the laws and practice in force as of the date of this Base Prospectus and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of a Note or Coupon, and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules.*

**Investors should consult their professional advisers on the tax consequences of their acquiring, holding and disposing of a Note or Coupon.**

### 1. EU SAVINGS DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into 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 or certain limited types of entity established in one of those territories.

On 13 November 2008 the European Commission published a proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

### 2. TAXATION IN THE NETHERLANDS

*For the purpose of this summary it is assumed that no holder of a Note has or will have a substantial interest, or - in the case of a holder of a Note being an entity - a deemed substantial interest, in the Issuer and that no connected person (verbonden persoon) to the holder of a Note has or will have a substantial interest in the Issuer.*

*Generally speaking, an individual has a substantial interest in the Issuer if (a) such individual, either alone or together with his partner, directly or indirectly has, or (b) certain relatives of such individual or his partner directly or indirectly have, (I) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent or more of either the total issued and outstanding capital of the Issuer or the issued and outstanding capital of any class of shares of the Issuer, or (II) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent or more of either the annual profit or the liquidation proceeds of the Issuer.*

*Generally speaking, an entity has a substantial interest in the Issuer if such entity, directly or indirectly has (I) the ownership of, a right to acquire the ownership of, or certain rights over, shares representing 5 per cent or more of either the total issued and outstanding capital of the Issuer or the issued and outstanding capital of any class of shares of the Issuer, or (II) the ownership of, or certain rights over, profit participating certificates (winstbewijzen) that relate to 5 per cent or more of either the annual profit or the liquidation proceeds of the Issuer. An entity holding a Note has a deemed substantial interest in the Issuer if such entity has disposed of or is deemed to have disposed of all or part of a substantial interest on a non-recognition basis.*

*For the purpose of this summary, the term "entity" means a corporation as well as any other person that is taxable as a corporation for Dutch corporate tax purposes.*

#### A. WITHHOLDING TAX

All payments made by the Issuer of interest and principal under the Notes can 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, unless the Notes qualify as

debt effectively functioning as equity for the purposes of article 10, paragraph 1, sub d of the Dutch Corporate Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

## **B. TAXES ON INCOME AND CAPITAL GAINS**

### **Residents**

#### Resident entities

An entity holding a Note which is, or is deemed to be, resident in The Netherlands for corporate tax purposes and which is not tax exempt, will generally be subject to corporate tax in respect of income or a capital gain derived from a Note at rates up to 25.5 per cent.

#### Resident individuals

An individual holding a Note who is, is deemed to be, or has elected to be treated as, resident in The Netherlands for income tax purposes will be subject to income tax in respect of income or a capital gain derived from a Note at rates up to 52 per cent if:

- (i) the income or capital gain is attributable to an enterprise from which the holder derives profits (other than as a shareholder); or
- (ii) the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor (ii) applies, an individual holding a Note will be subject to income tax on the basis of a deemed return, regardless of any actual income or capital gain derived from a Note. The deemed return amounts to 4 per cent. of the average value of the individual's net assets in the relevant fiscal year (including the Note). Subject to application of personal allowances, the deemed return will be taxed at a rate of 30 per cent.

### **Non-residents**

A holder of a Note which is not, is not deemed to be, and - in case the holder is an individual - has not elected to be treated as, resident in The Netherlands for the relevant tax purposes will not be subject to taxation on income or a capital gain derived from a Note unless:

- (i) the income or capital gain is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in The Netherlands; or
- (ii) the holder is an individual and the income or capital gain qualifies as income from miscellaneous activities (*belastbaar resultaat uit overige werkzaamheden*) in The Netherlands as defined in the Income Tax Act (*Wet inkomstenbelasting 2001*), including, without limitation, activities that exceed normal, active asset management (*normaal, actief vermogensbeheer*).

## **C. GIFT AND INHERITANCE TAXES**

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a holder of a Note, unless:

- (i) the holder of a Note is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions; or
- (iii) such Note is attributable to an enterprise or part thereof which is either effectively managed in The Netherlands or carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in The Netherlands.

## **D. VALUE ADDED TAX**

There is no Dutch value added tax payable by a holder of a Note in respect of payments in consideration for the issue of the Notes or in respect of the payment of interest or principal under the Notes, or the transfer of the Notes.

## **E. OTHER TAXES AND DUTIES**

The subscription, issue, placement, allotment, delivery or transfer of a Note will not be subject to registration tax, stamp duty or any other similar tax or duty payable in The Netherlands.

## **F. RESIDENCE**

A holder of a Note will not be, or deemed to be, resident in The Netherlands for tax purposes and, subject to the exceptions set out above, will not otherwise be subject to Dutch taxation, by reason only of acquiring, holding or disposing of a Note or the execution, performance, delivery and/or enforcement of a Note.

## **G. EU SAVINGS DIRECTIVE**

In accordance with EC Council Directive 2003/48/EC on the taxation of savings income, The Netherlands will provide to the tax authorities of another EU member state (and certain non-EU countries and associated territories specified in said directive) details of payments of interest or other similar income paid by a person within The Netherlands to, or collected by such a person for, an individual resident in such other state.

## **3. LUXEMBOURG TAXATION**

### *Withholding Tax*

All payments of interest and principal by FB(N) in the context of the holding, disposal, redemption or repurchase of the Notes can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with applicable Luxembourg law, subject however to (i) the application of the Luxembourg laws of 21 June 2005 implementing the Directive (see, paragraph 1 “**EU Savings Directive**” above) and several agreements concluded with certain dependent or associated territories and providing for the possible application of withholding tax (20 per cent. from 1 July 2008 to 30 June 2011 and 35 per cent. from 1 July 2011) on interest paid to certain non-Luxembourg resident investors (individuals and certain types of entities called “residual entities”) in the event of FB(N) appointing a paying agent in Luxembourg within the meaning of the above-mentioned directive or agreement and (ii) the application of the Luxembourg law of 23 December 2005 which has introduced a 10 per cent. withholding tax (which is final when Luxembourg resident individuals are acting in the context of the management of their private wealth) on savings income (i.e. with certain exemptions, savings income within the meaning of the Luxembourg law of 21 June 2005 implementing the Directive). This law should apply to savings income accrued as from 1 July 2005 and paid as from 1 July 2006.

Responsibility for the withholding of tax in respect of the above-mentioned Luxembourg law of 21 June 2005 and 23 December 2005 is assumed by the Luxembourg paying agent within the meaning of these laws and not by FB(N).

## SUBSCRIPTION AND SALE

### Terms and conditions of the Offer

In the event of an offer of any Notes which is an offer to the public within the meaning of the Prospectus Directive but which is not made in circumstances contemplated in Article 3(2) of the Prospectus Directive (an "**Offer**"), the general conditions in relation to such Offer are as set out below, as further specified for each Series of Notes in the applicable Final Terms.

### Offer size

The anticipated size of the offer of the Notes to the public will be set out in the applicable Final Terms as a fixed amount, as a minimum amount subject to increase, or as a range. The actual principal amount of Notes offered can be decreased or increased by FB(N) at any time before the Issue Date. It will be determined by FB(N), after consultation with the arranger of such offer, taking into account prevailing market conditions (including those in the debt and equity markets) and other relevant criteria and factors, including (but not limited to) demand for the Notes during the subscription period, broader economic and financial conditions and prospects and conditions affecting FB(N)'s ability to source or price hedging transactions with respect to its obligations under the Notes on terms satisfactory to it.

Once the results of the Offer are determined, the actual principal amount of Notes that will be offered, allotted to the subscribers and issued will be filed with the appropriate competent authority(ies) and communicated in the same manner in which the Base Prospectus and the applicable Final Terms have been published.

The Noteholders will be directly notified by, or on behalf of the placers as mentioned in item 10 of Part B of the applicable Final Terms (the "**Placing Agents**"), of the number of Notes which has been allotted to them as soon as possible after the Issue Date.

### Subscription, payment, delivery and allotment

The subscription period of the Offer (the "**Offer Period**") will be set out in the applicable Final Terms. However, the Offer Period may be (i) subject to an early termination due to reasons including (but not limited to) oversubscription or a decrease in the Offer size in the circumstances set out under the heading "*Offer size*" above, or (ii) subject to an extension as referred to in the timetable set out under the heading "*Indicative Timetable*" below.

The subscription price of the Notes payable by subscribers to the Placing Agents will be specified in the applicable Final Terms.

The minimum number of Notes which may be subscribed per subscriber is one Note and thereafter in multiples of one (1), unless otherwise specified in the applicable Final Terms. There is no maximum number of Notes which may be subscribed per subscriber unless otherwise stated in the applicable Final Terms.

If the Final Terms don't include the subscription price and/or other pricing data relating to the Notes such as the rate of interest, a pricing statement disclosing this information will be published before the Issue Date. Unless otherwise indicated in the applicable Final Terms, the pricing statement will be published in the same manner as the Base Prospectus and the applicable Final Terms.

Payment for the Notes must be received by the relevant Placing Agent from subscribers on or before the Issue Date by debit of a cash account.

The delivery of the Notes will take place as described in the Base Prospectus and the Final Terms. On or about the Issue Date, the relevant securities account of each Noteholder will be credited with the relevant amount of Notes purchased.

By subscribing for, or subsequently otherwise acquiring, Notes, Noteholders are bound by the Terms and Conditions of the Notes and are deemed to have acknowledged and accepted the terms pursuant to which the Notes are being offered as set out in the Base Prospectus together with the applicable Final Terms.

Unless otherwise indicated in the applicable Final Terms, in case of an early termination of the subscription period due to oversubscription or a decrease in the Offer size in the circumstances set out under the heading "*Offer size*" above, allotment of the Notes will be made, to the extent possible, on the basis of objective allotment criteria. Valid subscription applications will be processed in the chronological order of their receipt by the Relevant Dealer and then by the Placing Agents and, if necessary, the last subscription applications received will be reduced proportionately in order to match the actual aggregate principal amount of Notes being offered. Any payment received in connection with the subscription of Notes which are not allotted will be returned within seven Business Days (Business Days in this section means days on which banks are open for general business in the relevant Public Offer Jurisdiction and the TARGET2 system is operating) after the date of receipt of such payment. However, there will be no entitlement to interest in respect of such payments.



### **Indicative timetable**

An indicative timetable listing certain expected key dates for the Offer, such as (but not limited to) the publication of the prospectus, the latest time and date for subscriptions, the publication of the pricing statement (if relevant), and the announcement of the offer size will be specified in the applicable Final Terms. However, the timetable for the Offer is subject to acceleration or extension. Unless otherwise indicated in the applicable Final Terms, any acceleration or extension of the timetable for the Offer will be announced in the same manner in which the Base Prospectus and the applicable Final Terms have been published.

### **Cancellation of the Offer**

FB(N) reserves the right to cancel, at any time on or before the Issue Date and for any reason, the Offer and issue of the Notes, it being understood that in such case no Notes will be issued. In the event of a cancellation, and unless otherwise indicated in the applicable Final Terms, such cancellation will be communicated in the same manner in which the Base Prospectus and the applicable Final Terms have been published.

The Offer may be cancelled if any of the following events occur:

- the Notes are not or will not be admitted to trading and listing on the relevant stock exchange on the Issue Date (or, in the case of an extension of the timetable, such later date as is determined by FB(N) as the latest date for such admission);
- there has been a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls that would, in the view of FB(N) or the Relevant Dealer or Lead Manager, be likely to prejudice materially the success of the offering and distribution of the Notes or dealings in the Notes in the secondary market;
- there has been, in the view of FB(N) or the Relevant Dealer or Lead Manager, an adverse change, financial or otherwise in the condition or general affairs of FB(N) that would be likely to prejudice materially the success of the offering;
- the Relevant Dealer or Lead Manager determines, in its absolute discretion, that it is unable to source or price appropriate hedging transactions relating to FB(N)'s obligations under the Notes on terms which are satisfactory to it;
- the underwriting agreement (if any) is terminated by the underwriter in accordance with its terms;
- the Placing and Purchase Agreement (if any) is terminated in accordance with its terms; or
- in any other circumstances where FB(N) considers it necessary or desirable.

### **Subscription fees and taxes**

Noteholders will bear fees and taxes including the following:

- a fee payable by FB(N) to the Relevant Dealer or/and to any Placing Agent if included in the subscription price of the Notes and then borne and paid by subscribers on subscription;
- any costs arising from holding their Notes on a securities account with a financial intermediary;
- any financial service costs which may be charged by any financial intermediary;
- taxes on stock market transactions other than upon initial subscription.

### **Other fees and charges**

Except as stated above or in the applicable Final Terms, FB(N) will not impose any charges or fees in respect of the Notes. Prospective purchasers should note, however, that they may be required to bear certain fees and charges for custodial, nominee, transfer and clearing services charged by the relevant clearing system(s) and/or any intermediaries for the holding, transfer or redemption of Notes. Prospective purchasers of Notes should contact any relevant intermediaries for further details of these fees and charges.

In the event that a notification of the prospective Noteholders is required and unless otherwise indicated in the applicable Final terms, such notification will be published in the same manner in which the Final Terms and the Base Prospectus have been published.

### **Underwriting and placing arrangements**

The underwriter(s) mentioned in Item 32(i) of Part A of the applicable Final Terms (the "**Underwriter**") may enter into an underwriting agreement with FB(N) on or about the Issue Date (the "**Underwriting Agreement**"). Under the terms of this Underwriting Agreement and the Dealership Agreement, subject to the satisfaction of certain conditions, the Underwriter will agree to subscribe for the Notes. The Underwriting Agreement may be terminated

in certain circumstances by the Underwriter, prior to payment being made to FB(N). Any such termination is likely to result in the cancellation of the Offer, as described under the heading "*Cancellation of the Offer*" above.

FB(N) and the Underwriter may also enter into a placing and purchase agreement with the Placing Agents on or about the first day of the Offer Period (the "**Placing and Purchase Agreement**"). Under this Agreement, the Placing Agents will agree to use their best endeavours, during the Offer Period and pursuant to the Offer, to procure subscribers for an aggregate principal amount of Notes equal to the anticipated Offer size of the Notes at the Subscription Price. Each Placing Agent will also agree to purchase from the Underwriter on the Issue Date an aggregate principal amount of Notes equal to the principal amount of Notes placed by such Placing Agent pursuant to the Offer with the subscribers it has procured.

Each Placing Agent shall be entitled to deduct, before payment to the Underwriter, a commission representing a percentage of the principal amount of the Notes placed by it. The commission will be specified in the applicable Final Terms. The Placing and Purchase Agreement may be terminated in certain circumstances by the Underwriter or the Placing Agents, prior to payment being made to the Underwriter. Any such termination is likely to result in the cancellation of the Offer, as described under the heading "*Cancellation of the Offer*" above.

In case of "*As, If and When trading*" on Euronext Amsterdam

In the case of Notes listed on Euronext Amsterdam by NYSE Euronext, on or about the first day of the Offer Period, FB(N) will, pursuant to its agreement with Euronext Amsterdam by NYSE Euronext, offer to buy or sell the Notes to be admitted to trading and listed on Euronext Amsterdam by NYSE Euronext. Any such trading will be on an as, if and when issued basis until the Issue Date specified in the applicable Final Terms. FB(N) expects that each such Notes will be admitted to trading on Euronext Amsterdam by NYSE Euronext with effect from the first day of the Offer Period.

### **Selling Restrictions**

Notes may be sold from time to time by FB(N) to any one or more of ABN AMRO Bank N.V., Barclays Bank PLC, BNP PARIBAS, CALYON, Citigroup Global Markets Limited, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank International), Deutsche Bank AG, London Branch, Fortis Bank (Nederland) N.V., Goldman Sachs International, HSBC Bank plc, ING Bank N.V., J.P. Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International plc, Royal Bank of Canada Europe Limited, Société Générale, The Royal Bank of Scotland plc, and UBS Limited (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by FB(N) to, and purchased by, Dealers are set out in a dealership agreement dated 6 November 2009 (the "**Dealership Agreement**" as amended, supplemented or replaced) and made between FB(N) and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealers and the commissions or other agreed deductibles (if any) payable or allowable by FB(N) in respect of such purchase. The Dealership Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

#### **1. United States of America**

Regulation S Category 2; TEFRA D, unless TEFRA C is specified as applicable in the applicable Final Terms; Rule 144A Eligible if so specified in the applicable Final Terms.

Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in the preceding sentence have the meanings given to them by Regulation S.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in the preceding sentence have the meanings given to them by the United States Internal Revenue Code of 1986, as amended, and the regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealership Agreement, and, as described below, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until forty days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Agent or FB(N) by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to Notes of such Tranche purchased by or through it, in which case FB(N) shall notify each such Dealer when all such Dealers have so certified) within the United States or to or for the account or benefit of U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to or for the account or benefit of U.S. persons.

In addition, until forty days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the Securities Act.

## 2. The Netherlands / Global

Zero Coupon Notes (as defined below) in definitive form of FB(N) may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either FB(N) or a member firm of Euronext Amsterdam N.V. in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (i) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (ii) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (iii) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (iv) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. As used herein "**Zero Coupon Notes**" are Notes that are in bearer form and that constitute a claim for a fixed sum against FB(N) and on which interest does not become due during their tenor or on which no interest is due whatsoever.

## 3. France

Each Dealer has represented and agreed, and each further Dealer under the Programme will be required to represent and agree, that, unless the approval of this Base Prospectus by the Luxembourg *Commission de Surveillance du Secteur Financier* has been notified to the French *Autorité des marchés financiers* (the "**AMF**") in accordance with Article 18 of the Prospectus Directive, as implemented in France, and all the other procedures and formalities required by French laws and regulations to permit the offering and sale of Notes to the public in France have been carried out, it has not offered or sold, and will not offer or sell, directly or indirectly, Notes to the public in France and that offers and sales of Notes in France will be made only to providers of investment services relating to portfolio management for the account of third parties and/or to qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in Articles L.411-2 and D.411-1 to D.411-3 of the French Code monétaire et financier, but excluding individuals referred to in Article D.411-1 II 2.

In addition, each Dealer has represented and agreed, and each further Dealer under the Programme will be required to represent and agree, that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in France this Base Prospectus or any other offering material relating to the Notes other than to investors to whom offers and sales of Notes in France may be made as described above.

## 4. Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed that, save as set out below, it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy in an offer to the public and that sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian Securities, tax and exchange control and other applicable laws and regulation.

Accordingly, each of the Dealers has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of this Base Prospectus and any other document relating to the Notes in the Republic of Italy except:

- (1) to "*qualified investors*", as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "*Decree No. 58*"), and defined in Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("*Regulation No. 11971*"); or
- (2) that it may offer, sell or deliver Notes or distribute copies of any prospectus relating to such Notes in an offer to the public in the period commencing on the date of publication of such prospectus, provided that such prospectus has been approved in another Relevant Member State and notified to CONSOB, all in accordance with the Prospectus Directive, as implemented in Italy under Decree 58 and Regulation No. 11971, and ending on the date which is 12 months after the date of publication of such prospectus; or
- (3) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (i) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007, as amended and any other applicable laws and regulations; and
- (ii) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

*Provisions relating to the secondary market in the Republic of Italy*

Investors should also note that, in any subsequent distribution of the Notes in the Republic of Italy, Article 100-bis of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, where the Notes are placed solely with "*qualified investors*" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under Decree No. 58 applies.

**5. Spain**

Spain has implemented the Prospectus Directive and the section headed "*European Economic Area Public Offer Selling Restrictions*" below is applicable.

Each Dealer has represented and agreed that the Notes may not be offered or sold in Spain other than by institutions authorised under the Securities Market Law 24/1988 of 28 July (*Ley 24/1988, de 28 de julio, del Mercado de Valores*) (the "**Securities Market Law**") and Royal Decree 217/2008 of 15 February on the Legal Regime Applicable to Investment Services Companies and Other Entities Rendering Investment Services (*Real Decreto 217/2008, de 15 de febrero, sobre el régimen jurídico de las empresas de servicios de inversión y de las demás entidades que prestan servicios de inversión*), to provide investment services in Spain, and in compliance with the provisions of the Securities Market Law and any other applicable legislation.

**6. United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

A) *No deposit-taking*: In relation to any Notes having a maturity of less than one year:

- 1. it is a person whose ordinary activities involve it acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
- 2. it has not offered or sold and will not offer or sell any Notes other than to persons:
  - (i) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
  - (ii) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by FB(N);

B) *Financial promotion*: It has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to FB(N); and

C) *General compliance*: It has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

**7. Luxembourg**

A) The Notes, except the Notes mentioned under paragraph B) below, may not be offered or sold to the public within the territory of the Grand Duchy of Luxembourg unless:

- (a) a prospectus has been duly approved by the Commission de Surveillance du Secteur Financier (the "**CSSF**") pursuant to part II of the Luxembourg law dated July 10, 2005 on prospectuses for securities (the "**Luxembourg Prospectus Law**") and implementing the Prospectus Directive EC 2003/71 (the "**Prospectus Directive**") if Luxembourg is the home member state as defined under the Luxembourg Prospectus Law; or
  - (b) if Luxembourg is not the home member state, the CSSF has been notified by the competent authority in the home member state that a prospectus in relation to the Notes has been duly approved in accordance with the Prospectus Directive; or
  - (c) the offer of Notes benefits from an exemption to or constitutes a transaction not subject to, the requirement to publish a prospectus pursuant to the Luxembourg Prospectus Law.
- B) The Notes with a maturity of less than 12 months that may qualify as securities and money market instruments in accordance with article 4 2.(j) of the Luxembourg Prospectus Law may not be offered or sold to the public within the territory of the Grand-Duchy of Luxembourg unless:
- (a) a simplified prospectus has been duly approved by the CSSF pursuant to part III of the Luxembourg Prospectus Law; or
  - (b) the offer benefits from an exemption to or constitutes a transaction not subject to, the requirement to publish a prospectus under part III of the Luxembourg Prospectus Law.

## 8. European Economic Area Public Offer Selling Restrictions

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 Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (i) if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms as applicable;
- (ii) 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;
- (iii) at any time to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than EUR 43,000,000 and (iii) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts;
- (iv) 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 FB(N) for any such offer; or
- (v) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (e) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "*an offer of Notes to the public*" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that 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.

9. **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

10. **General**

Except for those countries or jurisdictions where a public offering of the Notes, or possession or distribution of any offering material in relation thereto, is permitted on the basis of (i) the approval by the AFM of this Base Prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in The Netherlands and (ii) the certificates of approval as provided by the AFM to the competent authorities in such relevant countries or jurisdictions, no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealership Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, in applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the applicable Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or (in any other case) in a supplement to this Base Prospectus.

## GENERAL INFORMATION

1. Application has been made for the Notes issued under the Programme (i) to be admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange and/or (ii) to be admitted to listing and trading on Euronext Amsterdam by NYSE Euronext.

However, Notes may be issued pursuant to the Programme which will not be admitted to listing on the official list and to trading on the Luxembourg Stock Exchange nor be admitted to listing and trading on Euronext Amsterdam by NYSE Euronext nor on any other stock exchange and/or quotation system, or which will be admitted to listing, trading and/or quotation on such stock exchange and/or quotation system as FB(N) and the relevant Dealer(s) may agree.

2. This Programme has been rated by Fitch, Moody's and S&P; the Medium Term Notes to be issued under the Programme are expected to be rated F1+ (short term), A+ (long term) and A (dated subordinated Notes) by Fitch, Prime-1 (short term), A1 (long term) and A2 (dated subordinated Notes) by Moody's and A-1 (short term), A (long term) and A- (dated subordinated Notes) by S&P. Nevertheless not all Notes which may be issued under the Programme will necessarily have the same ratings as the ratings assigned to the Programme, or indeed any ratings at all. The ratings assigned to any Tranche of Notes issued under this Programme will be disclosed in the applicable Final Terms together with an indication of whether such ratings are specific to such Tranche of Notes or whether such ratings are the ratings assigned to the Programme.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the relevant assigning rating agency.

3. The update of the Programme was authorised by resolutions of the Executive Board and Supervisory Board of FB(N) passed/given on 10 June 2009 and 15 June 2009 respectively. FB(N) has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.
4. The basis for any statements in this Base Prospectus made by FB(N) regarding its competitive position originate from its evaluation of market trends and generally reflect market views.
5. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and Clearnet S.A. Amsterdam Branch Stock Clearing (the securities clearing corporation of Euronext Amsterdam). The appropriate common code, the International Securities Identification Number and any other relevant security code in relation to the Notes of each Series will be specified in the Final Terms relating thereto. The applicable Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.
6. Notes and any Coupon appertaining thereto will bear a legend substantially to the following effect: "*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 in such legend provide that a United States person who holds a Note or Coupon generally will not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note or Coupon and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.
7. For so long as the Programme remains in effect or any Notes shall be outstanding, copies and, where appropriate, English translations of the documents (a), (b) and (c) below may be inspected during normal business hours at the specified office of the Agent and documents (d) and (e) are obtainable, free of charge, from the specified offices of the Paying Agents:
  - (i) the Agency Agreement;
  - (ii) the Dealership Agreement;
  - (iii) the Issuer - ICSDs Agreement (which is entered into between FB(N) and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear or Clearstream, Luxembourg of Notes in New Global Note form);
  - (iv) reports, letters, balance sheets, valuations and statements of experts included or referred to in this document (other than consent letters); and
  - (v) any Final Terms relating to Notes which are admitted to listing, trading and/or quotation on any stock exchange and/or quotation system. (In the case of any Notes which are not admitted to trading and/or quotation on any stock exchange and/or quotation system, copies of the applicable Final Terms will only be available for inspection by a Holder of or, as the case may be, a Relevant Accountholder (as defined in the relevant Notes in global form).

8. For so long as the Programme remains in effect or any Notes shall be outstanding, copies and, where appropriate, English translations of the following documents may be obtained, free of charge, during normal business hours at Rokin 55, 1012 KK Amsterdam, The Netherlands and at registered office of FB(N) and at the specified office of the Agent and the specified offices of the Paying Agents namely:
- (i) the Issuer's most recent publicly available audited consolidated financial statements beginning with such financial statements for the years ended 31 December 2007 and 31 December 2008;
  - (ii) the Issuer's most recent publicly available audited or unaudited consolidated semi-annual financial statements;
  - (iii) the Issuer's Articles of Association;
  - (iv) reports, letters, balance sheets, valuations and statements of experts included or referred to in this document (other than consent letters); and
  - (v) a copy of this Base Prospectus or any further Base Prospectus together with any supplement thereto.
9. This Base Prospectus, the documents incorporated by reference herein and the final terms of any tranches issued under this Programme and admitted to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange will be available in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).
10. Further Information on Fortis can be found at: [www.fortis.nl](http://www.fortis.nl)
11. Unless otherwise indicated in the applicable Final Terms, FB(N) does not intend to provide post-issuance information in relation to the underlying assets (including information about corporate actions or other events affecting the underlying and adjustments or substitutions to the underlying resulting therefrom).
12. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B 1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue J.F. Kennedy, L 1855 Luxembourg. The address of Euroclear Netherlands is Herengracht 459 - 469, 1017 BS Amsterdam, The Netherlands.
13. FB(N) accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of FB(N) (which has taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and contains no omission likely to affect its import.



## ISSUER

**Fortis Bank (Nederland) N.V.**  
Prins Bernhardplein 200  
1097JB Amsterdam  
The Netherlands

## ARRANGER

**Fortis Bank (Nederland) N.V., operating under the trade name MeesPierson**  
Rokin 55  
1012 KK Amsterdam  
The Netherlands

## DEALERS

**ABN AMRO Bank N.V.**  
Gustav Mahlerlaan 10  
1082 PP Amsterdam  
The Netherlands

**Barclays Bank PLC**  
5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

**BNP Paribas**  
10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**CALYON**  
9, quai du Président Paul Doumer  
F-92920 Paris-la-Défense Cedex  
France

**Citigroup Global Markets Limited**  
Citigroup Centre  
Canada Square  
London E14 5LB  
United Kingdom

**Coöperatieve Centrale Raiffeisen-Boerenleenbank  
B.A. (Rabobank International)**  
Croeselaan 18  
3521 CB Utrecht  
The Netherlands

**Deutsche Bank AG, London Branch**  
1 Great Winchester Street  
London, EC2N 2DB  
United Kingdom

**Fortis Bank (Nederland) N.V., operating under the  
trade name MeesPierson**  
Rokin 55  
1012 KK Amsterdam  
The Netherlands

**Goldman Sachs International**  
Peterborough Court  
133 Fleet Street  
London EC4A 2BB  
United Kingdom

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

**ING Bank N.V.**  
Foppingadreef 7  
1102 BD Amsterdam  
The Netherlands

**J.P. Morgan Securities Ltd.**  
125 London Wall  
London EC2Y 5AJ  
United Kingdom

**Merrill Lynch International**  
2 King Edward Street  
London EC1A 1HQ  
United Kingdom

**Morgan Stanley & Co. International plc**  
25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

**Royal Bank of Canada Europe Limited**  
71 Queen Victoria Street  
London EC4V 4DE  
United Kingdom

**Société Générale**  
29, boulevard Haussmann  
75009 Paris  
France

**The Royal Bank of Scotland plc**  
135 Bishopgate  
London EC2M 3UR  
United Kingdom

**UBS Limited**  
1 Finsbury Avenue  
London EC2M 2PP  
United Kingdom

## **AUDITORS**

*Of the Issuer in The Netherlands*  
**KPMG Accountants N.V.**  
Burgemeester Rijnderslaan 20  
1185 MC  
Amstelveen  
The Netherlands

## **AGENT AND PRINCIPAL PAYING AGENT**

**BGL BNP Paribas SA**  
50 avenue J.F. Kennedy  
L-2951 Luxembourg

## **PAYING AGENT**

**Fortis Bank (Nederland) N.V.**  
Rokin 55  
1012 KK Amsterdam  
The Netherlands

## **TRANSFER AGENTS**

**BGL BNP Paribas SA**  
50 avenue J.F. Kennedy  
L-2951 Luxembourg

**Fortis Bank (Nederland) N.V.**  
Rokin 55  
1012 KK Amsterdam  
The Netherlands

## **REGISTRARS**

**BGL BNP Paribas SA**  
50 avenue J.F. Kennedy  
L-2951 Luxembourg

**Fortis Bank (Nederland) N.V.**  
Rokin 55  
1012 KK Amsterdam  
The Netherlands

## **LEGAL ADVISERS**

*To the Issuer as to Netherlands law*  
**Clifford Chance LLP**  
Droogbak 1a  
1013 GE Amsterdam  
The Netherlands

*To the Dealers as to Netherlands Law*  
**Linklaters LLP**  
WTC Amsterdam  
Zuidplein 180  
1077 XV Amsterdam  
The Netherlands

## **LUXEMBOURG LISTING AGENT**

**BGL BNP Paribas SA**  
50 avenue J.F. Kennedy  
L-2951 Luxembourg

## **AMSTERDAM LISTING AGENT**

**Fortis Bank (Nederland) N.V.**  
Rokin 55  
1012 KK Amsterdam  
The Netherlands