

Dated 26 May 2011

ING BANK N.V.

SECURITIES NOTE

€50,000,000,000

Global Issuance Programme

Series No: 4186

**Issue of a minimum of 2,000 units of 5 Year Worst of Memory Express Autocallable Note due June
2016**

Issue Price: SEK 10,000 per unit.

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INTRODUCTION

This Securities Note (the “**Securities Note**”) has been prepared in connection with the issue by ING Bank N.V. (the “**Issuer**”) of a minimum of 2,000 units of 5 Year Worst of Memory Express Autocallable Notes due June 2016 (the “**Notes**”) under its €50,000,000,000 Global Issuance Programme (the “**Programme**”).

This Securities Note constitutes a securities note and, together with the Registration Document and the Summary Note (each as defined below), a prospectus (the “**Prospectus**”) for the purposes of Article 5 of Directive 2003/71/EC (the “**Prospectus Directive**”) for the purpose of giving information with regard to the Issuer and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and of the rights attached to the Notes.

The Issuer accepts responsibility for the information contained in this Securities Note. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Securities Note, when read together with the Registration Document and the Summary Note, is in accordance with the facts and does not omit anything likely to affect the import of such information.

On 31 March 2011, the Issuer published a Base Prospectus (the “**Original Base Prospectus**”) in respect of the Programme. On 11 May 2011 the Issuer published a supplement to the Original Base Prospectus (the “**BP Supplement**”) and together with the Original Base Prospectus, the “**Base Prospectus**”). On 11 May 2011, the Issuer published a Registration Document (the “**Registration Document**”). On the date hereof, the Issuer published a Summary Note in respect of the issue of the Notes (the “**Summary Note**”). This Securities Note should be read and construed in conjunction with the Summary Note, the Registration Document, each of the sections headed “Summary of the Programme”, “Risk Factors” (Parts 1 and 2), “Taxation”, “Subscription and Sale” and “General Information” of Chapter 1 of the Base Prospectus and the details of relevant parties to the Programme on the last five pages of the Base Prospectus (the “**List of Parties**”) (all of which are incorporated by reference in this Securities Note as described in the paragraph below), in each case where and to the extent such section refers to Global Issuer and to Notes (as defined in the Base Prospectus). Copies of this Securities Note, the Base Prospectus, the Summary Note, the Registration Document and/or any document incorporated by reference in this Securities Note as specified in the paragraph below may be obtained free of charge from the Issuer at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands, telephone number +31 (0)20 501 3477.

This Securities Note, the Registration Document and the Summary Note have each been filed with, and approved by, the *Autoriteit Financiële Markten* (the “**AFM**”) in its capacity as competent authority under the *Wet op het financieel toezicht* (Dutch Financial Supervision Act). The Original Base Prospectus was filed with the AFM and approved by it on 31 March 2011. The BP Supplement dated 11 May 2011 was filed with the AFM and approved by it. The Registration Document was filed with the AFM and approved by it on 11 May 2011. The following documents, which have previously been published or are published simultaneously with the Base Prospectus and have been approved by the AFM or filed with it, and shall be deemed to be incorporated in, and to form part of, this Securities Note; this Securities Note should be read and construed in conjunction with such documents:

- (a) the following parts of the Base Prospectus:
 - (i) the List of Parties;
 - (ii) the section headed “Summary of the Programme” in Chapter 1 of the Base Prospectus;
 - (iii) Parts 1 and 2 of the section headed “Risk Factors” in Chapter 1 of the Base Prospectus
 - (iv) the section headed “Taxation” in Chapter 1 of the Base Prospectus;
 - (v) the section headed “Subscription and Sale” in Chapter 1 of the Base Prospectus; and
 - (vi) the section headed “General Information” in Chapter 1 of the Base Prospectus;
- (b) the Articles of Association (*statuten*) of the Global Issuer;
- (c) the publicly available annual reports of the Global Issuer in respect of the years ended 31 December 2008, 2009 and 2010, including the audited financial statements and auditors’ reports in respect of such years;
- (d) pages 13 to 28 (inclusive) of the unaudited ING Group 2011 quarterly report for the first quarter of 2011, as published by ING Groep N.V. (“**ING Group**”) on 5 May 2011 (the “**ING Group Q1 Report**”). The Q1 Report contains, among other things, the consolidated unaudited interim results of ING Groep N.V. as at, and for the three month period ended, 31 March 2011, as well as information about recent developments during this period in the banking business of ING Group, which is conducted substantially through the Issuer and its consolidated group; and

(e) the press release published by ING Group on 7 March 2011 entitled “ING to repurchase EUR 2 bn core Tier 1 securities from Dutch State on 13 May” (the “**Early Repurchase Press Release**”).

In each case where and to the extent such document refers to Global Issuer and to Notes (as defined in the Base Prospectus) Terms used but not defined herein shall have the meanings given to them in the Base Prospectus. References in the Base Prospectus to “Final Terms” shall be deemed to be references to the Terms and Conditions of the Notes as set out in full in this Securities Note.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Securities Note, the Registration Document, the Summary Note and the relevant sections of Chapter 1 of the Base Prospectus and the List of Parties incorporated by reference into this Securities Note as described above, and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

This Securities Note (i) is not intended to provide the basis of any evaluation of the financial condition, creditworthiness or affairs of the Issuer and (ii) should not be considered as a recommendation by the Issuer that any recipient of this Securities Note should purchase the Notes. Each investor contemplating purchasing the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. This Securities Note does not constitute an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase the Notes.

Structured securities such as the Notes 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 Securities Note, the Summary Note, the Registration Document or the Base Prospectus. If in doubt potential investors are strongly recommended to consult with their financial advisers before making any investment decision.

The delivery of this Securities Note shall not in any circumstances imply that the information contained herein concerning the Issuer or the Notes is correct at any time subsequent to the date hereof. Investors should carefully review and evaluate, inter alia, the most recent financial statements of the Issuer when deciding whether or not to purchase the Notes.

Other than in Sweden, the Issuer does not represent that this Securities Note may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which would permit a public offering of the Notes or distribution of this document in any jurisdiction where action for that purpose is required, other than in Sweden. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Securities Note nor any advertisement or other offering material may be distributed or published in any jurisdiction where such offer, sale, distribution and/or publication would be prohibited.

The distribution of this Securities Note and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Securities Note or the Notes come must inform themselves about, and observe, any such restrictions. In particular, the restrictions set out in the “Subscription and Sale” section of Chapter 1 of the Base Prospectus (incorporated by reference into this Securities Note) on the distribution of the Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area, the United Kingdom, Austria, The Netherlands, France, Italy, Ireland, Australia, India, Mexico, People’s Republic of China, Brazil, Chile, Switzerland, Japan, Hong Kong, Korea, Norway and Singapore also apply to this Securities Note and the Notes.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Notes may not be offered, sold, pledged or otherwise transferred within the United States or to or for the account or benefit of U.S. persons except in accordance with Regulation S under the Securities Act or

pursuant to an exemption from the registration requirements of the Securities Act and any applicable state securities laws.

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

In relation to any non-exempt offer of the Notes made in Sweden prior to the date of publication of this Prospectus, investors have the right to withdraw their acceptances within two working days commencing from the date of publication of this Prospectus.

RISK FACTORS

Investing in the Notes involves risks. The Notes are not principal protected and the market value of the Notes may fluctuate during their term. Prospective investors risk losing their entire investment or part of it. See Parts 1 and 2 of the “Risk Factors” section of Chapter 1 of the Base Prospectus (incorporated by reference into this Securities Note) and the risk factors below for information on the risk factors to be taken into account when considering an investment in the Notes. Potential investors are strongly recommended to consult with their independent financial advisers before making any investment decision.

The Notes may not be a suitable investment for all investors

A prospective investor should conduct its own thorough analysis (including its own accounting, legal and tax analysis) prior to deciding whether to invest in the Notes. Any evaluation of the suitability for an investor of an investment in the Notes depends upon a prospective investor’s particular financial and other circumstances, as well as on the specific terms of the Notes. If a prospective investor does not have experience in financial, business and investment matters sufficient to permit it to make such a determination, the investor should consult with its financial adviser prior to deciding to make an investment as to the suitability of the Notes.

The Notes are complex financial instruments. A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor’s overall investment portfolio. Prospective investors risk losing their entire investment or part of it.

The return on the Notes is linked to the performance of the underlying reference values

The return on the Notes is linked to (i) the performance of the underlying Indices and (ii) the performance of the underlying Share (together referred to as the “**Equities**”). The levels of the Equities may go down as well as up throughout the life of the Notes. Fluctuations in the levels of the Equities will affect the value of the Notes.

Accordingly, before investing in the Notes, prospective investors should carefully consider the performance of the Equities. Results of the Equities achieved in the past are no guarantee of future performances. Prospective investors risk losing their entire investment or part of it.

No gross-up

All payments made by the Issuer in respect of the Notes shall be made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. Noteholders will not be entitled to receive grossed-up amounts to compensate for any such tax, duty, withholding or other payment.

TERMS AND CONDITIONS OF THE NOTES

This Note is one of a series of Notes issued by ING Bank N.V. (the “**Issuer**”, which expression shall include any Substituted Debtor pursuant to Condition 14) pursuant to the Agency Agreement (as defined below). References herein to the “**Notes**” shall be references to the Notes of this Series (as defined below). The Notes also have the benefit of an agency agreement dated as of 31 March 2011 (as modified, supplemented and/or restated as at the date of issue of the Notes, the “**Agency Agreement**”) and made among ING Bank N.V., ING Bank N.V., Sydney Branch, ING Groenbank N.V., ING Bank (Australia) Limited, ING (US) Issuance LLC, ING Americas Issuance B.V., The Bank of New York Mellon, London Branch as issuing and principal paying agent and agent bank (the “**Agent**”, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the “**Paying Agents**”, which expression shall include any additional or successor paying agents).

The Notes are Swedish Notes (as defined below) and do not have interest coupons attached. Any reference herein to “**Noteholders**” shall mean the holders of the Notes.

The Swedish Notes will be registered in uncertificated book entry form with a Swedish Central Securities Depository which is Euroclear Sweden AB, Regeringsgatan 65, Box 7822, SE-103 97 Stockholm, Sweden (“**Euroclear Sweden**”). Swedish Notes registered in Euroclear Sweden are negotiable instruments and not subject to any restrictions on free negotiability under Swedish law.

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

Copies of the Agency Agreement applicable to this Note may be obtained from and are available for inspection at the specified offices of each of the Agent and the other Paying Agents and from the Issuer at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands, telephone number +31 (0)20 501 3477. The Noteholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement which are binding on them.

The Issuer shall undertake the duties of calculation agent (the “**Calculation Agent**”) in respect of the Notes.

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

1. Form, Denomination and Title

The Notes are in uncertificated and dematerialised book-entry form in accordance with the Swedish Financial Instruments Accounts Act (*Sw. lag (1998:1479) om kontoföring av finansiella instrument*) (“**Swedish Notes**”), denominated in the lawful currency of the Kingdom of Sweden (the “**Specified Currency**” or “**SEK**”), in denominations of 1 unit per Note (the “**Specified Denomination**”). The Notes are senior Notes (“**Senior Notes**”) and the Issuer intends to issue the Notes on 9 June 2011 (the “**Issue Date**” and the “**Interest Commencement Date**”). The aggregate nominal amount is a minimum of 2,000 units (the “**Aggregate Nominal Amount**”). The final Aggregate Nominal Amount shall be determined by the Issuer on or about 26 May 2011 and shall be announced on www.ingstructuredproducts.com.

The Swedish Notes shall be regarded as registered notes for the purposes of the Conditions save to the extent the Conditions are inconsistent with Swedish Laws, regulations and operating procedures applicable to and/or issued by the Swedish central securities depository from time to time (the “**Swedish CSD Rules**” or the “**Rules**”) designated as registrar (*Sw.: central värdepappersförvarare*) for the Swedish Notes, Euroclear Sweden AB (the “**Swedish Registrar**”). No physical notes or certificates will be issued in respect of Swedish Notes and provisions relation to presentation, surrender or replacement of such bearer instruments shall not apply. In respect of Swedish Notes, “**Noteholder**” and “**holder**” means the person in whose name a Swedish Note is registered in the Register and the reference to a person in whose name a Swedish Note is registered shall include also any person duly authorised to act as a nominee (*Sw. förvaltare*) and registered for the Notes. In respect of the Swedish Notes, “**Register**” means the register maintained by the Swedish Registrar on behalf of the Issuer in accordance with the Swedish CSD Rules and title to Swedish Notes shall pass by registration in the Register. Except as ordered by a

court of competent jurisdiction or as required by law, the holder (as defined above) of any Swedish Notes shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating the holder. The Issuer shall be entitled to obtain information from the Register in accordance with the Swedish CSD Rules.

2. Status of the Notes

The Senior Notes are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain debts required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

3. Interest

(i) Interest Payment Dates

The Notes bear a variable-linked interest (“**Variable-linked Interest**” and each such Note, a “**Variable-linked Interest Note**”). Each Variable-Linked Interest Note bears interest on its outstanding nominal amount from (but excluding) the Interest Commencement Date and such interest, if any, will be payable in arrear on the Specified Interest Payment Date(s), as defined below (each an “**Interest Payment Date**”).

Such interest will be payable in respect of each Interest Period (which expression shall, in the Conditions, mean the period from (but excluding) an Interest Payment Date (or the Interest Commencement Date), in case of the first Interest Period to (and including) the next (or, in case of the first Interest Period, first) Interest Payment Date. If (x) there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or if (y) any Interest Payment Date would otherwise fall on a day which is not a Business Day, then such Interest Payment Date shall be postponed to the next day which is a Business Day.

(ii) Determination of the Variable-linked Interest

In respect of each Interest Period, the Variable-linked Interest payable, if any, on the Interest Payment Date immediately following the relevant Observation Date, shall be determined in accordance with the following:

- (1) If, on the relevant Observation Date, the Level of each and every Equity in the Basket is equal to or higher than its relevant Barrier Level, an amount per Note calculated in accordance with the following formula:

[SEK 10,000 × t × Coupon] – Memory Coupon; or

- (2) If, on the relevant Observation Date, the Level of at least one of the Equities in the Basket is lower than its relevant Barrier Level, an amount per Note equal to SEK 0.00 (ZERO), in which case no Variable-linked Interest shall be paid on the Notes.

Where:

“**Coupon**” means 11% (indicative, the final Coupon shall be determined by the Issuer on or about 26 May 2011 and shall be announced on www.ingstructuredproducts.com. The final Coupon shall not be less than 8%);

“**Specified Interest Payment Date(s)**” means 11 June 2012, 10 June 2013, 9 June 2014, 9 June 2015 and the Maturity Date, subject to adjustment in accordance with Condition 3(i) above and Condition 18(a) below;

“**Level**” means (i) in respect of Equity₁, the Price and (ii) in respect of Equity₂, Equity₃, Equity₄ and Equity₅ the Index Level;

“**Memory Coupon**” means the sum of all Variable-linked Interest payable on the Interest Payment Dates preceding Observation Date_t, except for Observation Date₁ in which case Memory Coupon means EUR 0.00 (ZERO);

“**Observation Date(s)**” means 28 May 2012, 27 May 2013, 26 May 2014, 26 May 2015 and Expiration Date, or if any such date is not a Scheduled trading Day, the next Scheduled Trading Day, in each case subject to Condition 18(a) below. Each Observation Date may be referred to as Observation Date_t, where “t” means the number 1 to 5. (e.g. if t=1, Observation Date₁ means 28 May 2012); and

“t” means the number 1 or 5 corresponding to the relevant Observation Date.

4. Payments

(a) Method of Payment

Subject as provided below, payments will be made by credit or transfer to an account in the Specified Currency maintained and specified by the payee with a bank in the principal financial centre of the country of the Specified Currency. Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment.

(b) Presentation of Notes

Payments of principal and/or any other amount payable under the Conditions in respect of the Swedish Notes shall be made to the Noteholders recorded as such on the fifth business day (as defined in the Swedish CSD Rules) before the due date for such payment, or such other business day falling closer to the due date as may then be stipulated in said Rules. Such day shall be the “**Record Date**” in respect of the Swedish Notes.

(c) Payment Day

If the date for payment of any amount in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to interest or other payment in respect of such delay. For these purposes, “**Payment Day**” means any day (i) on which (subject to Condition 7) the TARGET System is operating (where “**TARGET**” is the Trans-European Automated Real-Time Gross Settlement Express Transfer system) and (ii) 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 Stockholm.

(d) Interpretation of Principal

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

- (i) the amount, in the Specified Currency, at which each Note will be redeemed on the Maturity Date of the Notes (“**Final Redemption Amount**”);
- (ii) the redemption amount in respect of Notes payable following an event as described in Conditions 5(c), 5(g) and 8 (“**Early Redemption Amount**”);

- (iii) the Automatic Early Redemption Amount at which each Note will be redeemed following the occurrence of an Automatic Early Redemption Event (“**Automatic Early Redemption Amount**”); and
- (iv) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

5. Redemption and Purchase

(a) At Maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed on 9 June 2016 (the “**Maturity Date**”) by the Issuer at the Final Redemption Amount. The Final Redemption Amount shall be an amount per Note determined in accordance with the following:

- (i) If the Final Level of each and every Equity in the Basket is equal to or higher than its relevant Barrier Level, by payment of the Final Redemption Amount, which shall be an amount per Note equal to SEK 10,000; or
- (ii) If the Final Level of at least one of the Equities in the Basket is lower than its relevant Barrier Level, by payment of the Final Redemption Amount, which shall be an amount per Note calculated in accordance with the following formula:

$$\text{SEK } 10,000 \times \left(\frac{\text{Final Level of Equity}_{wo}}{\text{Barrier Level of Equity}_{wo}} \right)$$

Where:

“**Basket**” means a basket composed of Equity₁, Equity₂, Equity₃, Equity₄ and Equity₅ (for the avoidance of doubt, Equity₁, Equity₂, Equity₃, Equity₄ and Equity₅ may be referred to as Equity in the context of the Basket);

“**Barrier Level**” means (i) in respect of Equity₁, the Barrier Level Percentage multiplied by the Strike Price and (ii) in respect of Equity₂, Equity₃, Equity₄ and Equity₅ the Barrier Level Percentage multiplied by the relevant Initial Index Level;

“**Barrier Level Percentage**” 50%;

“**Index**” means (i) Russian Depositary Index (Bloomberg code: RDXUSD <Index>) (“**Equity₂**”), (ii) CEECEUR Index (Bloomberg code: CEECEUR <Index>) (“**Equity₃**”), (iii) Hang Seng China Enterprise Index (Bloomberg code: HSCEI <Index>) (“**Equity₄**”) and (iv) OMX Stockholm 30 Index (Bloomberg code: OMX <Index>) (“**Equity₅**”). For the avoidance of doubt, Equity₂, Equity₃, Equity₄ and Equity₅, may (a) together be referred to as Indices and (b) separately as Index.

“**Final Level**” means (i) in respect of Equity₁, the Final Share Price and (ii) in respect of Equity₂, Equity₃, Equity₄ and Equity₅, the Final Index Level;

“**Initial Level**” means (i) in respect of Equity₁, the Strike Price and (ii) in respect of Equity₂, Equity₃, Equity₄ and Equity₅, the Initial Index Level;

“**Equity_{wo}**” means the Equity with the worst performance compared to the other Equities in the Basket, where the performance of each of the Equities in the Basket will be calculated in accordance with the following formula:

$$(\text{Final Level} / \text{Initial Level}) \times 100\%$$

For the avoidance of doubt, Equity_{wo} will be the Equity for which the outcome of the above mentioned formula has the lowest value;

“**Shares**” means the shares issued by the Share Issuer (ISIN code: US4642864007; Bloomberg code: EWZ UP <Equity>) (“**Equity₁**”); and

“**Share Issuer**” means iShares MSCI Brazil Index Fund.

(b) *Automatic Early Redemption*

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 in any such case the Final Redemption Amount payable by the Issuer on such date upon redemption of each Note shall be an amount equal to the Automatic Early Redemption Amount.

Where:

“**Automatic Early Redemption Valuation Date**” means 28 May 2012, 27 May 2013, 26 May 2014 and 26 May 2015 or, if any such Automatic Early Redemption Valuation Date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to adjustment in accordance with Condition 18(a) below;

“**Automatic Early Redemption Event**” means the Equity Level of each and every Equity in the Basket is equal to or higher than its relevant Trigger Level;

“**Automatic Early Redemption Date**” means 11 June 2012, 10 June 2013, 9 June 2014 and 9 June 2015 subject in each case to adjustment in accordance with Condition 18(a) below;

“**Automatic Early Redemption Amount**” means an amount per Note equal to SEK 10,000; and

“**Equity Level**” means (i) in respect of Equity₁, the Price and (ii) in respect of Equity₂, Equity₃, Equity₄ and Equity₅ the Index Level;

“**Trigger Level**” means (i) in respect of Equity₁, the Trigger Level Percentage multiplied by the Strike Price and (ii) in respect of Equity₂, Equity₃, Equity₄ and Equity₅, the Trigger Level Percentage multiplied by the relevant Initial Index Level; and

“**Trigger Level Percentage**” 80%.

(c) *Redemption for Tax Reasons*

If the Issuer, on the occasion of the next payment due in respect of the Notes, would be required to withhold or account for tax in respect of the Notes, then the Issuer shall forthwith give notice of such circumstance to Noteholders. In such event, the Issuer may, but shall not be obliged to, on giving not more than 30 nor less than 15 days’ notice to the Noteholders, and upon expiry of such notice, redeem all but not some of the Notes at their Early Redemption Amount.

Notwithstanding the foregoing, if any of the taxes referred to above arises (i) by reason of any Noteholder’s connection with any particular jurisdiction otherwise than by reason only of the holding of any Note or receiving or being entitled to principal in respect thereof; or (ii) by reason of the failure by the relevant Noteholder to comply with any applicable procedures required to establish non-residence or other similar claim for exemption from such tax, then to the extent it is able to do so, the Issuer shall deduct such taxes from the amounts payable to such Noteholder and all other Noteholders shall receive the due amounts payable to them.

(d) *Early Redemption*

Notwithstanding Condition 5(c), Condition 5(g) and Condition 8, each Note will be redeemed at the Early Redemption Amount, which shall be an amount in the Specified Currency equal to the fair market value of a Note determined by the Calculation Agent in its sole and absolute discretion and in a commercially reasonable manner, taking into account the cost to the Issuer of amending or liquidating any financial instruments or transactions into by the Issuer in connection with the Note, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such financial instruments or transactions two Business Days prior to (x) the date fixed for redemption or (y) (as the case may be) the date upon which such Note becomes due and payable.

(e) *Purchases*

The Issuer or any of its subsidiaries may at any time purchase Notes at any price in the open market or otherwise. Such Notes may be held, re-issued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

(f) *Cancellation*

All Notes which are redeemed will forthwith be cancelled. All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (e) above shall be forwarded to the Agent and cannot be re-issued or resold.

(g) *Redemption – Other*

The Issuer may at any time, on giving not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 11, redeem all but not some only of the Notes for the time being outstanding at their Early Redemption Amount if, prior to the date of such notice, 90 per cent. or more in nominal amount of the Notes hitherto issued have been redeemed.

No Noteholder may require the transfer of a Swedish Note to be registered during the period from (and including) the Record Date in respect of the due date for redemption of such Note and through such due date or during a period which is equivalent to such closed period pursuant to the then applicable Swedish CSD Rules.

The Final Redemption Amount or the Early Redemption Amount (as the case may be) payable in respect of the Notes shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

The Final Redemption Amount or the Early Redemption amount (as the case may be) payable in respect of the Notes shall never be less than zero. If the formula or other method for determining the Final Redemption Amount or the Early Redemption Amount (as the case may be) applicable to the Notes would result in a negative figure, the Final Redemption Amount or the Early Redemption Amount (as the case may be) will be deemed to be zero.

6. Taxation

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation or surrender for payment or enforcement of any Note and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

7. Prescription

Claims against the Issuer for payment of principal and/or any other amount payable in respect of the Swedish Notes shall be prescribed and become void unless made within a period of five years after the date on which such payment first becomes due.

8. Events of Default relating to the Notes

If any one or more of the following events (each an “**Event of Default**”) shall have occurred and be continuing:

- (i) default is made for more than 30 days in the payment of principal in respect of the Notes; or
- (ii) the Issuer fails to perform or observe any of its other obligations under the Notes and such failure has continued for the period of 60 days next following the service on the Issuer of notice requiring the same to be remedied; or
- (iii) the Issuer is declared bankrupt (*failliet verklaard*) or granted a moratorium (*surceance van betaling*); or
- (iv) a declaration in respect of the Issuer is made to apply the emergency regulation (*noodregeling*) under Chapter 3, section 3.5.5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*); or
- (v) an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer unless this is done in connection with a merger, consolidation or other form of combination with another company, the terms of which merger, consolidation or combination (A) have the effect of the emerging or such other surviving company assuming all obligations contracted for by the Issuer in connection with the Notes or (B) have previously been approved by an Extraordinary Resolution of the Noteholders,

then any Noteholder may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare the Note held by the holder to be forthwith on such later date on which the relevant Notes have been transferred to the account designated by the Swedish Issuing Agent and blocked for further transfer by the Swedish Issuing Agent (such date will be the first date of a closed period for the purposes of the second paragraph of Condition 5(g)) due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 5(d)), without presentment, demand, protest or other notice of any kind, provided that such right to declare Notes due and payable shall terminate if the situation giving rise to it has been cured before the relevant notice has become effective.

9. Transfer of Notes

Transfers between participants in Euroclear Sweden will be effected in the ordinary way in accordance with the rule and operating procedures for the time being of Euroclear Sweden, as the case may be.

10. Agent and Paying Agents

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

- (i) so long as the Notes are admitted to trading or listed on any stock exchange or admitted to trading or listed by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange.
- (ii) there will at all times be a Paying Agent with a specified office in a city in continental Europe;
- (iii) there will at all times be an Agent;
- (iv) there will at all times be a Paying Agent with a specified office situated outside The Netherlands;
- (v) there will at all times be a Paying Agent with a specified office 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; and

- (vi) there will at all times be a Swedish Registrar duly authorised as a central securities depository under the Swedish Financial Instruments Accounts Act and an issuing agent duly authorised as such under the Swedish CSD Rules (the “**Swedish Issuing Agent**”), in respect of the relevant Tranche of Notes.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30, nor more than 45 days’ prior notice thereof shall have been given to the Noteholders in accordance with Condition 11.

11. Notices

All notices to holders of Swedish Notes will be valid if mailed to their registered addresses appearing on the register and published. Any such notice shall be deemed to have been given on the fourth day after the day on which it is mailed.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same with the Agent.

12. Meetings of Noteholders, Modification and Waiver

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes or certain provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than five per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes (including modifying the date of maturity of the Notes, reducing or cancelling the amount of principal in respect of the Notes or altering the currency of payment of the Notes), the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than 75 per cent., or at any adjourned such meeting not less than a clear majority, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting.

The Agent and the Issuer may agree, without the consent of the Noteholders, to:

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

Any such modification shall be binding on the Noteholders and any such modification shall be notified to the Noteholders in accordance with Condition 11 as soon as practicable thereafter.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

13. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders to create and issue further notes having the same terms and conditions as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

14. Substitution of the Issuer

- (a) The Issuer may, without any further consent of the Noteholders being required, when no payment of principal of any of the Notes is in default, 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 Notes 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 (together the “**Documents**”) and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour of each Noteholder to be bound by the Terms and Conditions of the Notes and the provisions of the Agency Agreement as fully as if the Substituted Debtor had been named in the Notes and the Agency Agreement as the principal debtor in respect of the Notes in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the “**Guarantee**”) in favour of each Noteholder the payment of all sums payable in respect of the Notes;
 - (ii) the Documents shall contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Noteholder against all liabilities, costs, charges and expenses (provided that insofar as the liabilities, costs, charges and expenses are taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation on the date such substitution becomes effective) 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 Noteholder by any political subdivision or taxing authority of any country in which such Noteholder 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 Noteholder;
 - (iv) each stock exchange which has Notes listed or admitted to trading thereon shall have confirmed that following the proposed substitution of the Substituted Debtor such Notes would continue to be listed or admitted to trading (as the case may be) 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 local lawyers acting for the Substituted Debtor to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders 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 the internal legal adviser to the Issuer to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified office of the Agent;
 - (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 English lawyers to the effect that the Documents (including the Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under English law, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders at the specified office of the Agent;

- (viii) the Substituted Debtor (if not incorporated in England) shall have appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes and the Documents; and
 - (ix) the Swedish Registrar has given its consent to the substitution (which consent shall not be unreasonably withheld or delayed).
- (b) 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 Noteholders 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 Noteholder, except as provided in Condition 14(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Notes any indemnification or payment in respect of any tax or other consequences arising from such substitution.
- (c) Upon the execution of the Documents as referred to in paragraph (a) above, and subject to the notification as referred to in paragraph (e) below having been given, the Substituted Debtor shall be deemed to be named in the Notes as the principal debtor in place of the Issuer and the Notes 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 Notes save that any claims under the Notes prior to release shall enure for the benefit of Noteholders.
- (d) The Documents shall be deposited with and held by the Agent for so long as any Notes remain outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder in relation to the Notes 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 Noteholder to the production of the Documents for the enforcement of any of the Notes or the Documents.
- (e) Not later than 15 business days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 11.

15. Governing Law and Jurisdiction

The Notes, and any non-contractual obligations arising out of in connection with them, are governed by, and shall be construed in accordance with, English law.

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes and accordingly any legal action or proceedings arising out of or in connection with any Notes (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

The Issuer irrevocably appoints the General Manager for the time being of its London Branch, currently at 60 London Wall, London EC2M 5TQ as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 11. Nothing shall affect the right to serve process in any manner permitted by law.

Notwithstanding the provisions set out in the paragraphs above, the legal effects of registration of Swedish notes in Euroclear Sweden will be regulated by the Financial Instruments Accounts Act (*Sw: Lag (1998:1479) om kontoföring av finansiella instrument*).

16. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

17. Determinations by the Calculation Agent and/or the Issuer

For the purposes of the Notes, any determinations, calculations or other decisions made by the Calculation Agent and/or the Issuer under or pursuant to the terms of the Notes shall be made in its/their sole and absolute discretion. All such determinations, calculations or other decisions of the Calculation Agent and/or the Issuer shall (save in the case of manifest error) be final, conclusive and binding on all parties, and neither the Calculation Agent nor the Issuer shall have any liability to any person therefore.

18. General Equity Linked Provisions

(a) Disrupted Days

If the Calculation Agent determines that the Strike Date, Expiration date, any Observation Date or any Automatic Early Redemption Valuation Date, as the case may be, in respect of Equity₁, Equity₂, Equity₃, Equity₄ and/or Equity₅, is a Disrupted Day, then the Strike Date, Expiration Date, such Observation Date or such Automatic Early Redemption Valuation Date in respect of such Equity₁, Equity₂, Equity₃, Equity₄ and /or Equity₅, 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 determination by the Issuer of the occurrence of a Disrupted Day, would have been the Strike Date, Expiration date, such Observation Date or such Automatic Early Redemption Valuation Date, as the case may be, is a Disrupted Day. In that case:

that eighth Scheduled Trading Day shall be deemed to be the Strike Date, Expiration Date, such Observation Date or such Automatic Early Redemption Valuation Date, as the case may be, in respect of such Equity₁, Equity₂, Equity₃, Equity₄ and/or Equity₅, notwithstanding the fact that such day is a Disrupted Day; and

1. in respect of Equity₁, 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; and/or
2. in respect of Equity₂, Equity₃, Equity₄ and Equity₅, the Calculation Agent shall determine the level of the Index 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); and/or
3. the Issuer may make any adjustment or adjustments to (i) the Final Redemption Amount, (ii) Automatic Early Redemption Amount, (iii) in respect of Equity₁, the Strike Price, Initial Share Price and the Final Share Price, (iv) in respect Equity₂, Equity₃, Equity₄ and Equity₅, any Index Level, the Initial Index Level and the Final Index Level and/or (v) any other relevant term of the Notes as it deems necessary.

Notwithstanding the provisions of any other Condition, if the Calculation Agent determines that a Disrupted Day has occurred on the Expiration Date or any Observation Date or Automatic Early Redemption Valuation Date payment of the Final Redemption Amount, the Automatic Early Redemption Amount (if such amount is payable) and/or any amount of interest, as the case may be, shall be postponed to the later of (i) the Maturity Date, the Automatic Early Redemption Date and/or the relevant Interest Payment Date and (ii) the date that is three Business Days following the postponed Expiration Date, the Automatic Early Redemption Valuation Date, or Observation 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, the Automatic Early Redemption Amount and/or any amount of interest in accordance with this Condition 18(a). The Issuer shall give notice to the holders of the Notes, in accordance with Condition 11, of the occurrence of a Disrupted Day if it results in the postponement of any payment in respect of the Notes and/or any adjustment to any term of the Notes pursuant to this Condition 18(a).

(b) Change of Exchange

If (i) in respect of Equity₁, the Exchange and/or (ii) in respect of Equity₂, Equity₃, Equity₄ or Equity₅, an Exchange, is changed, the Issuer may make such consequential modifications to any of the Final Redemption Amount, Valuation Time and such other terms and conditions of the Notes (including the amount of interest payable, if any) as it may deem necessary.

(c) Price Correction

In the event that any price or level published on (i) in respect of Equity₁, the Exchange and/or (ii) in respect of Equity₂, Equity₃, Equity₄ and/or Equity₅, any 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 (i) in respect of Equity₁, by the Exchange and/or (ii) in respect of Equity₂, Equity₃, Equity₄ and/or Equity₅, the Exchange(s) or the Index Sponsor(s), within three Business Days 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.

(d) Currency

If the Calculation Agent determines that any event occurs (i) in respect of Equity₁, 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 its convertibility into other currencies or otherwise) and/or (ii) in respect of Equity₂, Equity₃, Equity₄ and/or Equity₅, affecting the Specified Currency which the Calculation Agent determines necessitates an adjustment or adjustments to the Final Redemption Amount, Automatic Early Redemption Amount and/or any other relevant term of the Notes (including the date on which any amount is payable by the Issuer and the amount of interest payable, if any), the Issuer may make such adjustment or adjustments to the Final Redemption Amount, the Automatic Early Redemption Amount and/or any other relevant term of the Notes (including the amount of interest payable, if any) 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 11.

(e) Additional Disruption Event

- (i) in respect of Equity₁, (a) if the Calculation Agent determines that an Additional Disruption Event has occurred, the Issuer at its discretion, may make any adjustment or adjustments exercise, settlement, payment or any other term or condition of the Notes as the Calculation Agent determines appropriate (including, without limitation, to the Final Redemption Amount, Automatic Early Redemption Amount, the Initial Share Price, the Final Share Price and the Strike Price and the amount of interest payable, if any) and/or (b) redeem each Note at its fair market value (as determined by the Calculation Agent) as at the date of redemption taking into account the occurrence of such Additional Disruption Event, less, the cost to the Issuer of amending or liquidating any Hedging Arrangement, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such Hedging Arrangement; and
- (ii) in respect of Equity₂, Equity₃, Equity₄ or Equity₅, (a) if the Calculation Agent determines that an Additional Disruption Event, an Index Modification, Index Cancellation or Index Disruption has occurred, which the Calculation Agent determines necessitate(s) an

adjustment or adjustments to the Final Redemption Amount, the Automatic Early Redemption Amount (if such amount is payable) any Index Level and/or any other relevant term of the Notes (including the amount of interest payable, if any) (each such other event, a “**Relevant Event**”), the Issuer may (a) make any adjustment or adjustments to the Final Redemption Amount, the Automatic Early Redemption Amount (if such amount is payable), any Index Level and/or any other relevant term of the notes (including the amount of interest payable, if any) as it deems necessary; and/or (b) redeem each Note at its fair market value (as determined by the Calculation Agent) as at the date of redemption taking into account the occurrence of such Additional Disruption Event, Index Modification, Index Cancellation, Index Disruption, or Relevant Event, as applicable, less, the cost to the Issuer (or any of its Affiliates) of amending or liquidating any Hedging Arrangement, together with any costs, expenses, fees or taxes incurred by the Issuer (or any of its Affiliates) in respect of any such Hedging Arrangement.

Notice of any determination pursuant to this Condition 18(e), any such adjustment and/or any redemption of the Notes hereunder shall be given to Noteholders in accordance with Condition 11.

19. Index Linked Provisions

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.

20. Share Linked Provisions

(a) Adjustments, Consequences of Certain Events and Currency

(i) Adjustments

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 and/or the Strike Price and/or any of the terms and conditions of the Notes (including the amount of interest payable, if any) 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 fair market value (as determined by the Calculation Agent) as at the Merger Date less, the cost to the Issuer of amending or liquidating any Hedging Arrangement, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such Hedging Arrangement, on such date as the Issuer may notify to Noteholders in accordance with Condition 11; 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 to solely 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 Issuer will adjust any relevant terms of the Notes as it may determine.

The Issuer shall give notice of such redemption, adjustment or deemed change to Noteholders in accordance with Condition 11.

(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 fair market value (as determined by the Calculation Agent) as at the Tender Offer Date less, the cost to the Issuer of amending or liquidating any Hedging Arrangement, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such Hedging Arrangement, on such date as the Issuer may notify to Noteholders in accordance with Condition 11; 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 Shares traded on such options exchange and determine the effective date of that adjustment.

The Issuer shall give notice of such redemption or adjustment to Noteholders in accordance with Condition 11.

(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 De-listing, as the case may be, and determine the effective date of that adjustment or (ii) redeem each Note at its fair market value (as determined by the Calculation Agent) as at the date of redemption taking into account the Nationalisation, Insolvency or De-listing less, the cost to the Issuer of amending or liquidating any Hedging Arrangement, together with any costs, expenses, fees or taxes incurred by the Issuer in respect of any such Hedging Arrangement. Notice of any redemption of the Notes or determination pursuant to this paragraph shall be given to Noteholders in accordance with Condition 11.

(v) 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 Issuer 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.

21. Definitions

For the purposes of the terms and conditions of the Notes, the following terms shall have the meanings set out below:

(a) General

“Additional Disruption Event” means (a) in respect of Equity₁, (i) Change in Law, (ii) Hedging Disruption, (iii) Insolvency Filing, (iv) Exchange Traded Fund Disruption Event and/or (v) Underlying Index Disruption Event and (b) in respect of Equity₂, Equity₃, Equity₄ and/or Equity₅, (i) Change in Law and/or (ii) Hedging Disruption.

“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 this purpose, “control” of any entity or person means ownership of a majority of the voting power of the entity or person.

“Business Day” means a day (i) 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 Stockholm and (ii) on which the TARGET System is operating.

“Change in Law” means that, on or after the Issue Date, (a) in respect of Equity₁, (A) due to the adoption of or any change in any applicable law, regulation, rule, order, ruling or procedure (including, without limitation, any tax law and any regulation, rule, order, ruling or procedure of any applicable regulatory authority, tax

authority and/or any exchange) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction (including, without limitation, any relevant exchange or trading facility) of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that: (X) it has (or it expects that it will) become illegal for the Issuer or any of its Affiliates, to (i) hold, acquire or dispose of the Shares or to enter into transactions on or relating to the Shares or (ii) perform its obligations under the Notes; or (Y) the Issuer or any of its Affiliates would (or would expect to) incur a materially increased cost in (i) holding, acquiring or disposing of the Shares, (ii) maintaining, entering into or unwinding any Hedging Arrangement, and/or (iii) 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) and (b) in respect of Equity₂, Equity₃, Equity₄, Equity₅, (A) due to the adoption of or any change in any applicable law, regulation, rule, order, ruling or procedure (including, without limitation, any tax law and any regulation, rule, order, ruling or procedure of any applicable regulatory authority, tax authority and/or any exchange) or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction (including, without limitation, any relevant exchange or trading facility) of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines that: (X) it has (or it expects that it will) become illegal for the Issuer or any of its Affiliates, to (i) hold, acquire or dispose of any Component of the Index or to enter into transactions on or relating to any Component of the Index or (ii) perform its obligations under the Notes; or (Y) the Issuer or any of its Affiliates would (or would expect to) incur a materially increased cost in (i) holding, acquiring or disposing of any Component of the Index, (ii) maintaining, entering into or unwinding any Hedging Arrangement, and/or (iii) 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).

“Disrupted Day” means (i) in respect to Equity₁, any Scheduled Trading Day on which (a) the Exchange fails to open for trading during its regular trading session or (b) any Related Exchange fails to open for trading during its regular trading session or (c) on which a Market Disruption Event has occurred, (ii) in respect to Equity₂, Equity₄ and Equity₅, any Scheduled Trading Day on which (a) the relevant Exchange fails to open for trading during its regular trading session, (b) any Related Exchange fails to open for trading during its regular trading session or (c) on which a Market Disruption Event has occurred and (iii) in respect of Equity₃ the relevant Index Sponsor fails to publish the level of the relevant Index.

“Early Closure” means (i) in respect to Equity₁, 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 (a) the actual closing time for the regular trading session on the Exchange or such Related Exchange on such Exchange Business Day and (b) 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 and (ii) in respect to Equity₂, Equity₃, Equity₄ and Equity₅, 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 (a) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day and (b) 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” means (i) in respect to Equity₁, the stock exchange on which the Shares are, in the determination of the Issuer, traded or quoted 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) and (ii) in respect of Equity₂, the London Stock Exchange and (iii) in respect of Equity₃, in respect of any securities comprised in such Index, the stock exchanges (from time to time) on which in the determination of the Issuer 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), (iv) in respect of Equity₄, the Stock Exchange of Hong Kong and (v) in respect of Equity₅, the Stockholm Stock Exchange.

“Exchange Business Day” means (i) in respect of Equity₁, 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 and (ii) in respect of Equity₂, Equity₃, Equity₄ and Equity₅, 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 (i) in respect of Equity₁, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, the Shares on the Exchange or (b) to effect transactions in, or obtain market values for, futures or options contracts relating to the Shares on any Related Exchange and (ii) in respect of Equity₂, Equity₄ and Equity₅, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for securities that comprise 20 per cent. or more of the level of such Index on the relevant Exchange or (b) to effect transactions in, or obtain market values for, futures or options contracts relating to the Index on any relevant Related Exchange and (iii) in respect of Index₃, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for any security comprised in the Index on any relevant Exchange or (b) 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 26 May 2016, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 18(a).

“Hedging Arrangement” means any hedging arrangements entered into by the Issuer and/or its Affiliates at any time with respect to the Notes, including without limitation the entry into of any transaction(s) and/or purchase and/or sale (i) in respect of Equity₁, the Shares and (ii) in respect of Equity₂, Equity₃, Equity₄ and Equity₅, of any Component of any of the Indices or any other asset(s) to hedge the equity price risk of entering into and performing the obligations of the Issuer under the Notes and any associated foreign exchange transactions.

“Hedging Disruption” means (i) in respect of Equity₁, the Issuer and/or its Affiliates is unable, after using commercially reasonable efforts, to (A) hold, acquire, re-establish, substitute, maintain, unwind or dispose of the Shares and/or any Hedging Arrangement, or (B) realise, recover or remit the proceeds of the Shares and/or any Hedging Arrangement and (ii) in respect of Equity₂, Equity₃, Equity₄ and Equity₅, the Issuer and/or its Affiliates is unable, after using commercially reasonable efforts, to (A) hold, acquire, re-establish, substitute, maintain, unwind or dispose of any Component of any of the Indices and/or any Hedging Arrangement, or (B) realise, recover or remit the proceeds of any Component of any of the Indices and/or any Hedging Arrangement.

“Market Disruption Event” means (a) in respect of Equity₁, 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 and (b) in respect of Equity₂, Equity₄ and Equity₅, 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 and (c) in respect of Equity₃, 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 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 Issuer, 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.

“Related Exchange” means (i) in respect of Equity₁, 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 exchange or quotation system 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) and (ii) in respect of Equity₂, Equity₃, Equity₄ and Equity₅, each exchange or quotation system as the Calculation Agent determines on which trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Index, 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 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).

“Scheduled Closing Time” means (i) in respect of Equity₁, 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 and (ii) in respect of Equity₂, Equity₃, Equity₄, and Equity₅, 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 (i) in respect of Equity₁, any day on which the Exchange and each Related Exchange is scheduled to be open for trading for its regular trading sessions and (ii) in respect of Equity₂, Equity₄ and Equity₅, any day on which each relevant Exchange and each Related Exchange is scheduled to be open for trading for its regular trading session and (iii) in respect of Equity₃, any day on which the relevant 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.

“**Strike Date**” means 26 May 2011, or if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, in each case subject to Condition 18(a).

“**Trading Disruption**” means (i) in respect of Equity₁, 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 (a) relating to the Shares on the Exchange or (b) in futures or options contracts relating to the Shares on a Related Exchange and (ii) in respect of Equity₂, Equity₄ and Equity₅, (a) 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 relevant Related Exchange or otherwise on the Exchange relating to securities that comprise 20 per cent or more of the level of the relevant Index or (b) in futures or options contracts relating to the Index on a Related Exchange and (iii) in respect of Equity₃, (a) 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 (a) on any relevant Exchange(s) relating to any security comprised in the Index or (b) in futures or options contracts relating to the Index on a Related Exchange.

“**Valuation Time**” means (i) in respect of Equity₁, 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 Condition 18(a)) the Valuation Time shall be such actual closing time and (ii) in respect of Equity₂, Equity₃, Equity₄ and Equity₅, the Scheduled Closing Time on the relevant date. 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 Condition 18(a)) the Valuation Time shall be such actual closing time.

(b) *Index Linked Definitions*

“**Component**” means in respect of an Index, any shares, equity options or other component comprised in such Index. If the Index itself comprises or includes one or more other Indices, “Component” shall be read and construed as the relevant underlying shares, equity options or other components.

“**Final Index Level**” means, in respect of an Index, the level of the Index at the Valuation Time on the Expiration Date, as calculated and published by the Index Sponsor.

“**Index Cancellation**” means, in respect of an Index, the Index Sponsor cancels the Index and no Successor Index exists.

“**Index Disruption**” means, in respect of an Index, the Index Sponsor fails to calculate and announce the Index Level.

“**Index Level**” means, in respect of an Index, on any relevant Scheduled Trading Day, the level of the Index, as calculated and published by the Index Sponsor, the official closing level of the Index on such Scheduled Trading Day.

“**Index Modification**” means, in respect of an Index, the relevant 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 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 capitalisation and other routine events).

“**Index Sponsor**” means 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 such Index and (b) announces (directly or through an agent) the level of such

Index on a regular basis during each Scheduled Trading Day failing whom such person acceptable to the Calculation Agent who calculates and announces the relevant Index or any agent or person acting on behalf of such person.

“Initial Index Level” means, in respect of an Index, the level of the Index at the Valuation Time on the Strike Date, as calculated and published by the Index Sponsor.

“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 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 relevant Index, such successor index or index calculated and announced by the successor sponsor.

(c) Share Linked Conditions

“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.

“Exchange Traded Fund Cancellation” means the Share Issuer is liquidated or otherwise terminated, the Calculation Agent, acting in its sole and absolute discretion determines that no Substitute Share Issuer exists and such event does not constitute an Insolvency Filing or an Insolvency.

“Exchange Traded Fund Constitution Breach” means any failure to observe any of the objects, constitution, conditions or Fund Rules of the Share Issuer that is, in the determination of the Calculation Agent, material.

“Exchange Traded Fund Constitution Change” means any modification of the objects, constitution, conditions or Fund Rules of the Share Issuer that is, in the determination of the Calculation Agent, material.

“Exchange Traded Fund Disruption” means the Relevant Party responsible for calculating and announcing the net asset value of the Share Issuer fails to do so.

“Exchange Traded Fund Disruption Event” means Exchange Traded Fund Cancellation, Exchange Traded Fund Constitution Breach, Exchange Traded Fund Constitution Change, Exchange Traded Fund Disruption and/or Exchange Traded Fund Modification.

“Exchange Traded Fund Management Company” means the investment manager of the Share Issuer or, in respect of any publication of the net asset value of the Share Issuer, the service provider responsible for publishing such net asset value.

“Exchange Traded Fund Modification” means the Share Issuer or the Exchange Traded Fund Management Company announces that it will make or has made (in the opinion of the Issuer) a material change in the formula for or the method of calculating the net asset value of the Share Issuer or a Substitute Share Issuer (other than a modification prescribed in that formula or method to maintain the Share Issuer or a Substitute Share Issuer in the event of changes in constituent securities and capitalisation and other routine events).

“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, as determined by the Calculation Agent.

“Fund Rules” means with respect to a Share Issuer, the terms of the bye-laws and other associated documentation relating to such Share Issuer and any other rules or regulations relating to such Share Issuer and the relevant Shares (including any prospectus in respect thereof) existing on the Issue Date, including its investment guidelines and restrictions

“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, as determined by the Calculation Agent.

“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 or any other Relevant Party, which, in the determination of the Calculation Agent, has a substantial connection with, and/or substantial influence on the operation of, 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.

“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.

“Nationalisation” means that all the Shares of the Share Issuer or all or substantially all the assets of the Share Issuer are nationalised, 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.

“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); or
- (vii) any other event 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 at the Valuation Time on such Exchange Business Day, all as determined by the Calculation Agent.

“Relevant Party” means the Share Issuer, its Exchange Traded Fund Management Company or any prime broker, custodian or other service provider to the Share Issuer which, in the reasonable opinion of the Calculation Agent, is of substantial importance to the operation of the Share Issuer.

“Share Currency” means USD.

“Strike Price” means the Price on the Strike Date.

“Substitute Share Issuer” means a successor or substitute exchange traded fund which in the reasonable opinion of the Calculation Agent has a similar risk profile and investment objective to the Share Issuer.

“Successor Underlying Index” means, where the Underlying Index is (i) not calculated and announced by the Underlying 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 Underlying Index, such successor index or index calculated and announced by the successor sponsor.

“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).

“Underlying Index” means the MSCI Daily Total Return Net Brazil Index tracked by the Shares and/or the Share Issuer on the Issue Date.

“Underlying Index Cancellation” means the Underlying Index Sponsor cancels the Underlying Index and no Successor Underlying Index exists.

“Underlying Index Disruption” means the Underlying Index Sponsor fails to calculate and announce the level of the Underlying Index.

“Underlying Index Disruption Event” means an Underlying Index Cancellation, Underlying Index Disruption and/or Underlying Index Modification.

“Underlying Index Exchange” means in respect of the Underlying Index in respect of any security comprised in the Underlying Index, any stock exchange (from time to time) on which, in the determination of the Issuer, such security is listed for the purposes of such Underlying Index or any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in any such security comprised in the Underlying Index has temporarily been relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such security on such successor or substitute exchange or quotation system as on the original Underlying Index Exchange).

“Underlying Index Modification” means the Underlying 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 level of the Underlying Index or in any other way materially modifies the Underlying Index (other than a modification prescribed in that formula or method to maintain the Underlying Index in the event of changes in constituent securities and capitalisation and other routine events).

“Underlying Index Related Exchange” means, in respect of the Underlying Index, each exchange or quotation system as the Calculation Agent determines on which trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Underlying Index, 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 Underlying 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 Underlying Index on such temporary substitute exchange or quotation system as on the original Underlying Index Related Exchange).

“Underlying Index Scheduled Trading Day” means any day on which the Underlying Index Sponsor is scheduled to publish the level of the Underlying Index and each Underlying Index Related Exchange is scheduled to be open for trading for its regular trading session.

“Underlying Index Sponsor” means the corporation or other 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 Underlying Index and (b) announces (directly or through an agent) the level of the Underlying Index on a regular basis during each Underlying Index Scheduled Trading Day, failing whom such person acceptable to the Calculation Agent who calculates and announces the Underlying Index or any agent or person acting on behalf of such person.

22. Public offer jurisdiction and listing and admittance to trading

This Securities Note together with the Registration Document and the Summary Note, comprise the Prospectus required for the issue and public offer in Sweden and the listing and admittance to trading on NASDAQ OMX of the Notes described herein pursuant to the €50,000,000,000 Global Issuance Programme of ING Bank N.V., ING Bank N.V., Sydney Branch, ING Groenbank N.V., ING Bank (Australia) Limited, ING Bank of Canada, ING (US) Issuance LLC and ING Americas Issuance B.V.

Signed on behalf of the Issuer:

By:
Duly authorised

By:
Duly authorised

PART B – OTHER INFORMATION

1. OFFER PERIOD AND APPLICATION PROCESS

The subscription period for the Notes is from and including 21 April 2011 (09:00 CET) to and including 20 May 2011 (15:00 CET). The Issuer reserves the right to close the subscription earlier.

Investors may subscribe for the Notes through branches of the Issuer in Sweden and any distributor as may be appointed from time to time. Investors may not be allocated all of the Notes for which they apply. The offering of the Notes may, at the discretion of the Issuer, be cancelled at any time prior to the Issue Date.

2. FORM OF NOTES

New Global Note: No
The Notes are Swedish Notes.

3. METHOD OF DISTRIBUTION

- | | |
|---|--|
| (i) If syndicated, names and addresses of Managers and underwriting commitments: | Not Applicable |
| (ii) If non-syndicated, name and address of relevant Dealer: | Not Applicable. Direct issue by Issuer as principal. |
| (iii) Total commission and concession: | The fees are reflected in the pricing of the Notes and will not be separately charged to investors.
A commission fee of 2.00% may be separately charged to investors by the distributor |
| (iv) Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA rules are not applicable |
| (v) Additional selling restrictions: | Not Applicable |
| (vi) Simultaneous offer: | Not Applicable |
| (vii) Process for notification to applicants of amount allotted and indication whether dealing may begin before notification is made: | Investors will be notified of the amount of Notes allotted to them, if any, through their financial intermediaries. No dealing in the Notes may begin before such notification is made. |

4. LISTING

- | | |
|---|---|
| (i) Listing: | NASDAQ OMX |
| (ii) Admission to trading: | Application will be made for the Notes to be admitted to trading on NASDAQ OMX with effect from the Issue Date or as soon as possible thereafter. |
| (iii) Estimate of total expenses related to admission to trading: | Not Applicable |

5. RATINGS

Ratings:

The Notes will not be rated

6. NOTIFICATION

The Netherlands Authority for Financial Markets has provided the Finansinspektionen (the “**FI**”) (Sweden) with a certificate of approval attesting that the Registration Document, Securities Note and Summary Note have been drawn up in accordance with the Prospectus Directive.

7. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER

Save as discussed in “Subscription and Sale” in Chapter 1 of the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

8. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

Reasons for the offer:

See “Use of Proceeds” wording in Chapter 1 of the Base Prospectus.

9. DETAILS OF UNDERLYING REFERENCE VALUES

The return on the Notes is linked to the performance of the Equities. The levels of the Equities may go down as well as up throughout the life of the Notes. Fluctuations in the levels of the Equities will affect the value of the Notes.

Details of the past and further performance of the Equities in the Basket and their volatility can be obtained from:

- (i) in respect of Equity₁, Bloomberg (EWZ US <Equity>) and the website http://us.ishares.com/product_info/fund/overview/EWZ.htm;
- (ii) in respect of Equity₂, Bloomberg (RDXUSD <Index>) and the website <http://en.indices.cc/indices/details/rdu/>;
- (iii) in respect of Equity₃, Bloomberg (CECEEUR <Index>) and the website <http://en.indices.cc/indices/details/cxe/>;
- (iv) (iv) in respect of the Equity₄, Bloomberg (HSCEI <Index>) and the website <http://www.hsi.com.hk/HSI-Net/HSI-Net> (on the website click on ‘Hang Seng China Enterprises Index’ for index details); and
- (v) in respect of Equity₅, Bloomberg (OMX <Index>) and the website http://www.nasdaqomxnordic.com/index/index_info?Instrument=SE0000337842.

10. POST-ISSUANCE INFORMATION

The Issuer intends to provide post issuance information in relation to the Notes which will be published by the Issuer on www.ingstructuredproducts.com. There is no assurance that the Issuer will continue to provide such information for the life of the Notes.

11. RESULTS OF THE OFFER

Results of the offer will be published by the Issuer on www.ingstructuredproducts.com on or about 26 May 2011, although the Issuer reserves the right to close the subscription earlier.

12. OPERATIONAL INFORMATION

- | | |
|---|--|
| (i) Intended to be held in a manner which would allow Eurosystem eligibility: | No |
| (ii) ISIN CODE: | NL0009787688 |
| (iii) Common Code: | 061961534 |
| (iv) WKN Code: | Not Applicable |
| (v) Other relevant code: | Not Applicable |
| (vi) Clearing system(s): | Euroclear Sweden AB
Box 7822
103 97 Stockholm
Sweden. |
| (vii) Delivery: | Delivery against payment |
| (viii) Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| (ix) Name and address of Calculation Agent (if other than the Issuer): | Not Applicable |
| (x) Name and address of Swedish Registrar: | Euroclear Sweden AB
Box 7822
103 97 Stockholm
Sweden. |
| (xi) Name and address of Swedish Issuing Agent: | Skandinaviska Enskilda Banken AB (publ.)
Kungsträdgårdsgatan 8
106 40 Stockholm
Sweden. |

13. ISSUE PRICE

The issue price of the Notes is SEK 10,000 per Note.