

PROSPECTUS

BEST SME 2007 B.V.

(incorporated with limited liability in The Netherlands and having its statutory seat in Amsterdam, The Netherlands)

EUR 7,132,500,000 Class A Floating Rate Credit-Linked Notes due 2011

EUR 123,750,000 Class B Floating Rate Credit-Linked Notes due 2011

EUR 75,000,000 Class C Floating Rate Credit-Linked Notes due 2011

EUR 120,000,000 Class D Floating Rate Credit-Linked Notes due 2011

EUR 48,750,000 Class E Floating Rate Credit-Linked Notes due 2011

Issue Price: 100 per cent.

BEST SME 2007 B.V. (the "**Issuer**") intends to issue on or around 14 December 2007 (the "**Closing Date**") the EUR 7,132,500,000 Class A Floating Rate Credit-Linked Notes due 2011 (the "**Class A Notes**"), the EUR 123,750,000 Class B Floating Rate Credit-Linked Notes due 2011 (the "**Class B Notes**"), the EUR 75,000,000 Class C Floating Rate Credit-Linked Notes due 2011 (the "**Class C Notes**"), the EUR 120,000,000 Class D Floating Rate Credit-Linked Notes due 2011 (the "**Class D Notes**") and the EUR 48,750,000 Class E Floating Rate Credit-Linked Notes due 2011 (the "**Class E Notes**" and, together with the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the "**Notes**"), to be issued by BEST SME 2007 B.V. (the "**Issuer**") on or around 14 December 2007 (the "**Closing Date**"). Application has been made for the Notes to be listed on Eurolist by Euronext Amsterdam N.V. ("**Euronext Amsterdam**").

Defined terms and their page references herein are set out in the Index of Defined Terms at the end hereof.

On the Signing Date the Issuer will enter into the Credit Default Swap pursuant to which it will sell credit protection to Rabobank Nederland in respect of the Reference Portfolio.



Rabobank

Rabobank International

The date of this prospectus is 11 December 2007

The Notes will be obligations of the Issuer only. The Notes will not be obligations or responsibilities of, or guaranteed by, the Swap Counterparty, the Trustee, the Calculation Agent, the Directors, the Agents, the Cash Deposit Bank, the Issuer Account Bank, the Reserve Account Bank, the Parent, the Manager or the Cash Administrator (each as defined below) nor any of their affiliates.

The Class A Notes are expected upon issue to be rated Aaa by Moody's Investors Service Limited ("**Moody's**"), AAA by Fitch Ratings Ltd. ("**Fitch**") and AAA by Standard & Poor's Rating Services, a division of The McGraw-Hill Inc. group of companies ("**S&P**" and, together with Moody's and Fitch, the "**Rating Agencies**"). The Class B Notes are expected upon issue to be rated Aa2 by Moody's, AA by Fitch and AA by S&P. The Class C Notes are expected upon issue to be rated A2 by Moody's, A by Fitch and A by S&P. The Class D Notes are expected upon issue to be rated Baa3 by Moody's, BBB by Fitch and BBB by S&P (the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes together the "**Rated Notes**"). The Class E Notes shall not be rated.

The ratings assigned to the Rated Notes by S&P and Fitch reflect timely payment of interest and ultimate payment of principal not later than the Final Redemption Date of the Rated Notes. The ratings assigned to the Rated Notes by Moody's address the expected loss posed to investors at legal final maturity in relation to the initial principal balance of the Rated Notes. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. Each security rating should be evaluated independently of any other rating.

The principal source of payment of principal and interest on the Notes will be the Issuer's right to receive payments in respect of interest and principal in respect of the Cash Deposit (as defined herein) and its right to receive periodic payments pursuant to the Credit Default Swap. These sources have in the opinion of the Issuer characteristics that demonstrate capacity to service payments of principal and interest when due and payable under the Notes, although no guarantee can be given that the actual payments received by the Issuer will be sufficient to make such payments under the Notes.

The Issuer is responsible for the information contained in this Prospectus other than the information referred to in the following paragraph. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information, except for the information for which Rabobank Nederland is responsible contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer accepts responsibility accordingly.

Rabobank Nederland is responsible solely for the information contained in the following sections of this Prospectus: "COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A." and "RABOBANK'S LENDING AND COLLECTION POLICIES". To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information, provided by Rabobank Nederland contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Rabobank Nederland accepts responsibility accordingly.

Information that has been sourced from a third party, has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by that third party,

no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Prospectus is to be read in conjunction with documents that are deemed to be incorporated herein by reference (see the section "GENERAL INFORMATION"). This Prospectus shall be read and construed on the basis that such document is incorporated in and forms part of this Prospectus.

No person has been authorised to give any information or to make any representation other than as contained in this document and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Trustee or the Manager.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Prospectus.

This Prospectus does not constitute an offer of, nor an invitation to subscribe for or purchase, any Notes and should not be considered as a recommendation by the Issuer, the Manager or the Trustee, that any recipient of this Prospectus should subscribe for or purchase any Notes. The Notes may not be sold nor any offer to buy be accepted before this Prospectus is delivered in final form. Each recipient of this Prospectus shall be taken to have made its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and neither the Manager nor the Trustee shall have any responsibility for the same.

The distribution of this Prospectus and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Manager to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of the Notes and on distribution of this Prospectus and other offering material relating to the Notes, see "SUBSCRIPTION AND SALE".

In particular, the Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and are subject to United States tax law requirements. The Notes are being offered outside the United States by the Manager in accordance with Regulation S under the Securities Act ("**Regulation S**"), and may not be offered, sold or delivered within the United States or its possessions or to, or for the account or benefit of, (i) United States persons (as defined for U.S. federal income tax purposes) except in certain transactions permitted by United States treasury regulations, or (ii) U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See "SUBSCRIPTION AND SALE".

In this Prospectus, unless otherwise specified, references to "**€**", "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union as contemplated in the Treaty establishing the European Community, as amended.

Capitalised terms used in this Prospectus, unless otherwise indicated, have the meanings set out in this Prospectus. Defined terms and their page references herein are set out in the Index of Defined Terms at the end hereof.

Unless otherwise defined in this Prospectus, "**business day**" means any TARGET Settlement Day which is a day other than a Saturday or Sunday, on which banking institutions in Amsterdam are generally open for commercial business. "**TARGET Settlement Day**" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

TABLE OF CONTENTS

1.	RISK FACTORS	6
2.	THE PARTIES	17
3.	PRINCIPAL FEATURES OF THE NOTES	19
4.	TRANSACTION DIAGRAM	25
5.	OVERVIEW OF THE TRANSACTION	26
6.	DESCRIPTION OF THE CREDIT DEFAULT SWAP	32
7.	CASH ADMINISTRATION	52
8.	ELIGIBILITY AND PORTFOLIO CRITERIA	55
9.	DESCRIPTION OF THE INITIAL REFERENCE PORTFOLIO	58
10.	ISSUER.....	67
11.	TRUSTEE.....	69
12.	COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.....	70
13.	RABOBANK'S LENDING AND COLLECTION POLICIES	71
14.	TERMS AND CONDITIONS OF THE NOTES	74
15.	NOTES IN GLOBAL FORM.....	108
16.	USE OF PROCEEDS	111
17.	NETHERLANDS TAXATION.....	112
18.	SUBSCRIPTION AND SALE	114
19.	GENERAL INFORMATION	116
20.	INDEX OF DEFINED TERMS	119
21.	REGISTERED OFFICES	123

1. RISK FACTORS

Prospective investors should carefully consider the following risk factors, in addition to the matters set forth elsewhere in this Prospectus, before investing in the Notes.

The Notes will not be obligations of anyone other than the Issuer and will not be obligations or responsibilities of, or guaranteed by, any other person or entity. No person other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes.

General

1.1 Limited Recourse and Restriction on Ability to Apply for Bankruptcy

The Notes are direct and secured obligations of the Issuer and are payable only to the extent that the Issuer receives monies due to it under the Credit Default Swap and the Cash Deposit and, following enforcement of the Security, solely from the proceeds of enforcement of the Security. The Issuer will have no other assets or sources of revenue. The holders of Notes will have no right to proceed directly against the Swap Counterparty in respect of the Credit Default Swap or to take title to, or possession of, the Security. The Notes do not represent obligations of, nor are they insured or guaranteed by, the Trustee, the Swap Counterparty, the Cash Deposit Bank, the Issuer Account Bank, the Reserve Account Bank, the Directors, the Agent Bank, the Manager, the Principal Paying Agents, any Paying Agent, the Cash Administrator or any of their respective affiliates (each of them a "**Transaction Participant**" and together the "**Transaction Participants**") or any governmental agency. None of the Parent, the Trustee, the Directors or any of their respective owners, beneficiaries, agents, officers, directors, employees, affiliates, successors or assigns will, in the absence of an express agreement to the contrary or as otherwise provided by applicable law, be personally liable for distributions or obliged to make payments in respect of any Notes. If distributions of the amounts received by the Issuer under the Credit Default Swap and Cash Deposit and, after enforcement of the Security, the proceeds of enforcement of the Security are insufficient to make payments on the Notes, no other assets will be available for payment of the deficiency and, following realisation of the Security, no debt shall be owed by the Issuer in respect of any such deficiency.

Pursuant to the relevant undertakings in the Transaction Documents, none of the Noteholders and the Transaction Participants shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, arrangement, insolvency or liquidation proceedings or other proceedings under any applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the issuance of Notes, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer in relation thereto.

1.2 Changes in Law or Regulatory, Accounting and/or Administrative Practices

The structure of the issue of the Notes and the ratings which are to be assigned to the Notes are based on Dutch law, regulatory and administrative practice in effect in The Netherlands as at the date of this Prospectus, and having due regard to the expected tax treatment of all relevant entities under Dutch tax law. No assurance can be given as to the impact of any possible change in Dutch law, regulatory or administrative practices in The Netherlands or to Dutch tax law, or the interpretation or administration thereof.

1.3 Credit Ratings

Credit ratings of debt securities represent the Rating Agencies' opinions regarding their credit quality and are not a guarantee of quality. Rating agencies attempt to evaluate the safety of principal and interest payments and do not evaluate the risks of fluctuations in market value; therefore, credit ratings may not fully reflect the true risks of an investment. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that an Issuer's current financial condition may be better or worse than a rating indicates. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agencies.

1.4 Reliance on Creditworthiness of Various Persons

The ability of the Issuer to meet its obligations under the Notes will be dependent, in part, upon its receipt of payments from Rabobank Nederland in its capacity as Swap Counterparty under the Credit Default Swap, for return of the Cash Deposit and the payment of any Issuer CD Income in its capacity as Cash Deposit Bank in relation to the Cash Deposit Agreement and as Reserve Account Bank and Issuer Account Bank. Consequently, the Noteholders are relying not only on the creditworthiness of the Reference Entities but also on Rabobank Nederland in respect of the performance of its obligations as Swap Counterparty to make payments pursuant to the Credit Default Swap and in respect of the performance of its obligations as Cash Deposit Bank under the Cash Deposit Agreement, as Issuer Account Bank, as Reserve Account Bank and as Cash Administrator under the Cash Administration Agreement. A failure by Rabobank Nederland to perform such obligations could adversely affect the ability of the Issuer to pay principal and interest on the Notes.

Reference Portfolio

1.5 Reference Portfolio Risk

The Noteholders are exposed to the credit risk of the Reference Portfolio. The composition of the Reference Portfolio can change during the course of the Transaction as a result of Adjustments.

The potential liability of the Issuer to pay Cash Settlement Amounts under the Credit Default Swap may lead to a reduction of the Adjusted Principal Balance of the Notes and thereby a reduction in the amounts of interest and principal payable to Noteholders. A Cash Settlement Amount may become payable if a Credit Event occurs with respect to a Reference Obligation and the Conditions to Settlement are satisfied in respect of that Reference Obligation.

If the Conditions to Settlement are satisfied with respect to a Reference Obligation, a Loss Amount will be determined in respect of such Reference Obligation. The Loss Amount in respect of a Reference Obligation may be determined by reference to an estimated loss. The Loss Amount may be greater than the loss eventually suffered by the Owner of the Defaulted Reference Obligation.

The Issuer is obliged to pay to the Swap Counterparty, on each Cash Settlement Date and subject to the terms of the Credit Default Swap, a Cash Settlement Amount equal to the Credit Protection Amounts.

Each Credit Protection Amount will be funded by a withdrawal from the Reserve Account plus, to the extent the Credit Protection Amount exceeds the Reserve Account Balance, the proceeds of a partial liquidation of the Cash Deposit.

The part of the Credit Protection Amount in excess of the Reserve Account Balance on such Cash Settlement Date will be allocated to any of the Tranches in Reverse Order of Seniority and applied in reducing the Adjusted Notional Amount of such Tranche. Upon any such allocation, the Adjusted Principal Balance of the Class of Notes corresponding to the relevant Tranche shall be reduced by the CPA Tranche Allocation Amount.

1.6 No Legal or Beneficial Interest in Obligations of Reference Entities

Under the Credit Default Swap, the Issuer will have a contractual relationship only with the Swap Counterparty, and not with any Reference Entity. Consequently, the Credit Default Swap does not constitute a purchase or other acquisition or assignment of any interest in any Reference Obligation. Therefore, the Issuer and the Trustee will have rights solely against the Swap Counterparty in accordance with the Credit Default Swap, and will have no recourse against any Reference Entity or to any Reference Obligation. None of the Issuer, the Trustee, the Noteholders or any other entity will have any rights to acquire from the Swap Counterparty (or to require the Swap Counterparty to transfer, assign or otherwise dispose of) an interest in any Reference Obligation, notwithstanding the payment by the Issuer of a Credit Protection Amount to the Swap Counterparty with respect to such Reference Obligation. Moreover, the Swap Counterparty will not grant the Issuer or the Trustee any security interest in any Reference Obligation.

1.7 Limited Provision of Information about Reference Entities

None of the Issuer, the Trustee or the Noteholders will have the right to know the specific identity of any Reference Entity or to receive information regarding any Reference Obligation except for the Reference Portfolio Quarterly Report and the Reference Portfolio Annual Report, and, except as aforesaid, the Swap Counterparty will have no obligation to keep the Issuer, the Trustee or the Noteholders informed as to compliance of the Reference Portfolio with the Reference Portfolio Criteria or as to matters arising in relation to any Reference Entity or such Reference Obligation, including whether or not circumstances exist under which there is a possibility of occurrence of a Credit Event.

The Issuer or any other Transaction Participant may acquire information with respect to a Reference Obligation, the debtor, issuer and/or guarantor of, and a provider of security in respect of, any Reference Obligation, or with respect to any other Transaction Participant that may be material in the context of the Notes and may or may not be publicly available or known. None of such persons shall be under any obligation to make such information available to Noteholders or otherwise save as expressly provided in the Transaction Documents.

1.8 No Investigation or Representations

No investigations, searches or other inquiries have been made by or on behalf of the Issuer or the Transaction Participants in respect of any Reference Entity or Reference Obligations and no representations or warranties have been or are given by the Issuer or any Transaction Participant in respect thereof. None of the Issuer or any Transaction Participant will have any responsibility or duty to make any such investigations, to keep any such matters under review or to provide the investors with any information in relation to such matters or to advise as to the attendant risks.

None of the Issuer or any other Transaction Participant makes any representation or warranty, express or implied, in respect of any Reference Entity or Reference Obligation.

1.9 Reference Collateral

The Reference Obligations may be secured by the Reference Collateral. The proceeds of such Reference Collateral will be allocated pro rata to all claims, including the Reference Obligation(s), secured by such Reference Collateral. Accordingly, in such cases only a portion of the proceeds from such Reference Collateral will be allocated to the relevant Reference Obligation(s); such portion may change from time to time as the claims of the relevant Owner secured by the Reference Collateral may be repaid or otherwise extinguished and new claims and new collateral allocated to the Reference Obligation(s).

The Rabobank Servicer may at any time release, or cause to be released, any Reference Collateral if it either (i) in its professional judgement concludes that it is required to do so by applicable law or contractual arrangements, or (ii) does so in the ordinary course of business and in accordance with its then prevailing credit and collection policies.

In the event that the Reference Entity defaults on a Reference Obligation secured by Reference Collateral, the Rabobank Servicer is required to enforce the Reference Collateral in accordance with the Servicing Principles. However, there is no guarantee that the value of the portion of such Reference Collateral allocable to the Reference Obligation in the context of the enforcement, less external foreclosure costs, will fully cover the outstanding principal on the Reference Obligation.

1.10 Reliance on Administration and Collection Procedures

Noteholders are relying on the business judgement and practices of the Rabobank Servicer in administering the Reference Obligations, enforcing claims against Reference Entities, including taking decisions, with respect to enforcement of any Reference Collateral and also, as the case may be with respect to Reference Obligations arising under syndicated transactions, on decisions of a majority of the syndicated banks with which the relevant Servicer may not have agreed and which could, therefore, be contrary to the Servicing Principles.

1.11 No Actual Loss

If a Defaulted Reference Obligation does not become a Worked Out Obligation by the end of the Initial Recovery Period, the Credit Protection Amount in respect of the relevant Reference Obligation shall be calculated by the Calculation Agent by reference to expected future recoveries and other items in respect of the relevant Defaulted Reference Obligation as of the date of calculation.

If the aggregate amount of Reference Obligation Notional Amounts of the Estimated Reference Obligations exceeds the sum of (x) the Adjusted Notional Amount of the First Loss Tranche and (y) the Reserve Account Balance at the time of determination, the amount of Estimated Future Recoveries in respect of any Estimated Reference Obligation whose Reference Obligation Notional Amount exceeds such sum shall be determined by the Calculation Agent and be verified, to the extent such matters can be objectively verified and on the basis of information supplied by the Swap Counterparty or otherwise, by an independent appraiser appointed by the Trustee.

The Credit Protection Amounts and any resulting Cash Settlement Amounts may not represent an exact proxy for actual losses realised in respect of a Defaulted Reference Obligation.

In addition, the Issuer is obligated to make payments of amounts equal to the Credit Protection Amounts to the Swap Counterparty pursuant to the Credit Default Swap, irrespective of whether the Swap Counterparty or a Local Rabobank has suffered an actual loss or risk of such loss.

Other than in accordance with the calculation of the Credit Protection Amounts pursuant to the Credit Default Swap, the Swap Counterparty is under no obligation to account for any amount that may be received in respect of a Defaulted Reference Obligation by the holder thereof.

1.12 Relationship of Swap Counterparty with Reference Entities

The Issuer has no legal or beneficial ownership interest (whether by way of security or otherwise) in any Reference Obligation, and the Swap Counterparty will not be, and will not be deemed to be acting as, the agent or trustee of the Issuer in connection with the exercise of, or the failure to exercise, any of the rights or powers of the Swap Counterparty arising under or in connection with any Reference Obligation.

The Swap Counterparty or any of the Local Rabobanks will not necessarily hold or book a Reference Obligation at the time it is expressed to be part of the pool of Reference Obligations. The Swap Counterparty and the Local Rabobanks may deal in any Reference Obligation and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business transactions with, any Reference Entity and may act with respect to such transactions in the same manner as if the Credit Default Swap, the Cash Deposit Agreement and the Notes did not exist and without regard to whether any such action might have an adverse effect on any Reference Entity, the Issuer or the holders of the Notes.

None of the Swap Counterparty and the Local Rabobanks is prevented from taking any enforcement steps (including but not limited to petitioning for bankruptcy) against a Reference Entity. Although the Swap Counterparty or the Local Rabobanks may have entered into and may from time to time enter into business transactions with Reference Entities, the Swap Counterparty or the Local Rabobanks at any time may or may not hold obligations (including the Reference Obligations) of, or have any business relationship with, any particular Reference Entity.

In addition, the relevant credit departments of Rabobank and the Local Rabobanks will not be aware that a particular obligation or client is part of, or included in, the Reference Portfolio (with regard to the Swap Counterparty only, except in connection with the determination whether a Credit Event has occurred). Noteholders should therefore be aware that none of the Swap Counterparty and the Local Rabobanks has a particular obligation or duty (implied or otherwise) to act in the Noteholders' interests when dealing with a Reference Entity or Reference Obligation. The Swap Counterparty shall, however, not knowingly act against the interests of the Noteholders.

1.13 Limited Verification

If the aggregate amount of Reference Obligation Notional Amounts of the Reference Obligations in respect of which a Credit Event Notice has been given exceeds the sum of (x) the Adjusted Notional Amount of the First Loss Tranche and (y) the Reserve Account Balance at the time of determination, the Independent Accountants will be required to verify that, to the extent that such matters can be objectively verified and on the basis of information supplied by the Swap Counterparty or otherwise, that the appropriate procedures and methodology were employed in respect of all Reference Obligations in respect of which a Credit Event Notice has been given whether (i) a Credit Event has occurred in respect of the relevant Reference Obligations, (ii) the Conditions to Settlement have been met with respect to a Credit Event in

relation to such Reference Obligations and (iii) whether such Reference Obligation met the Eligibility Criteria at the time it was included in the Reference Portfolio.

However, no independent verification will be conducted in respect of the existence or calculation of Loss Amounts.

1.14 Conflict of Interests

Rabobank Nederland is acting in a number of capacities (i.e., as Swap Counterparty and Calculation Agent under the Credit Default Swap, Cash Deposit Bank, Issuer Account Bank, Reserve Account Bank, as EN Principal Paying Agent and EN Paying Agent under the Paying Agency and Account Bank Agreement (trading as Rabo Securities), and as Manager (acting as Rabobank International)) in connection with the transactions described herein. Rabobank Nederland in acting in such capacities in connection with such transactions shall have only the duties and responsibilities expressly agreed to by it in its relevant capacity and shall not, by virtue of its acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity.

Noteholders should therefore be aware that a conflict of interests could arise between the various roles of Rabobank Nederland and that Rabobank Nederland has no implicit or explicit obligation or duty to act in the best interest of Noteholders when performing its various functions.

Trust International Management (T.I.M.) B.V., being the sole director of the Issuer and the Parent, belongs to the same group of companies as Europe Management Company B.V., being the sole director of the Trustee. Therefore, a conflict of interests could arise. In this respect, it is noted that each of Trust International Management (T.I.M.) B.V. and Europe Management Company B.V. is, with regard to the exercise of its powers and rights as either the sole director of the Issuer, the sole director of the Trustee and the sole director of the Parent, under the relevant Management Agreement bound by the restrictions set out in such Management Agreement that are intended to ensure that the powers and rights are exercised in the interest of the Issuer, the Parent and the Trustee and the other parties involved in the transaction contemplated by the Transaction Documents. The Trustee is a party to the Management Agreements with the Issuer and the Parent for, *inter alia*, the better preservation and enforcement of its rights under the Security Documents.

Security for the Notes

1.15 Security Arrangements

Under or pursuant to the Security Documents, the Issuer will grant various Dutch law pledges to the Trustee. A Dutch pledge can serve as security for monetary claims (*geldvorderingen*) only and can only be enforced upon default (*verzuim*) of the obligations secured thereby.

The Issuer is a special purpose entity and has been set up as a bankruptcy remote entity by, among other things, covenants restricting the Issuer's activities and including non-petition wording in the relevant Transaction Documents. Recourse by the Secured Parties to the Issuer has been limited to the assets the Issuer may have (excluding for the avoidance of doubt amounts standing to the credit of the Issuer Capital Account). Should the Issuer be subject to a bankruptcy (*faillissement*) proceedings or a suspension of payments (*surseance van betaling*) (each an "**Insolvency Proceeding**" and together the "**Insolvency Proceedings**"), as applicable,

the Trustee as pledgee can nevertheless exercise the rights afforded by Dutch law to pledgees as if there were no Insolvency Proceedings. However, Insolvency Proceedings involving the Issuer will affect the position of the Trustee as pledgee in some respects under Dutch law.

First, if and to the extent that assets purported to be pledged by the Issuer to the Trustee, are future assets (i.e. assets that have not yet been acquired by the Issuer or that have not yet come into existence) at the moment Insolvency Proceedings take effect (i.e., at 0:00 hours on the date the relevant Insolvency Proceedings are declared), such assets are no longer capable of being pledged by the Issuer. This would for example apply with respect to amounts that are paid into, or otherwise credited to, the Cash Deposit, the Reserve Account or the Issuer Account following the effectiveness of the Insolvency Proceedings with respect to the Issuer. As such crediting of the Cash Deposit, the Reserve Account or the Issuer Account would not yet have occurred when the Insolvency Proceedings take effect, the resulting receivable of the Issuer vis-à-vis the Cash Deposit Bank, the Reserve Account Bank or the Issuer Account Bank, as the case may be, would qualify as a future asset as abovementioned. It is furthermore likely that most of the rights under the Transaction Documents pledged pursuant to the Issuer Rights Pledge would qualify as future assets.

Secondly, the following mandatory rules of Dutch insolvency law may affect the enforcement of the pledges:

- (a) a statutory stay of execution ('*afkoelingsperiode*') of two months - with a possible extension by at the most two more months - may be imposed during each Insolvency Proceeding by court order. Such stay of execution does not prevent the Trustee from giving notice to the debtors of any pledged receivables and collecting the proceeds thereof. However, where applicable, it will prevent the Trustee from (i) taking recourse against any amounts so collected during such stay of execution and (ii) selling pledged assets to third parties;
- (b) the liquidator in bankruptcy can force the Trustee to enforce its security right within a reasonable period of time, failing which the liquidator will be entitled to sell the pledged assets and distribute the proceeds. In such case, the Trustee will receive payment prior to ordinary, non-preferred creditors having an insolvency claim but after creditors of the estate. It should be noted, however, that said authority of the liquidator only aims to prevent a secured creditor from delaying the enforcement of the security without good reason; and
- (c) excess proceeds of enforcement must be returned to the Issuer in its insolvency; they may not be set-off against an unsecured claim (if any) of the Trustee on the Issuer. Such set-off is in principle allowed prior to the Insolvency Proceedings.

1.16 Parallel Debt

Because it is uncertain under Dutch law whether a security right can be validly created in favour of a party that is not the creditor of the claim which the security right purports to secure, the Issuer has in the Trust Deed, as a separate and independent obligation undertaken to pay to the Trustee amounts equal to the amounts due by it to the Secured Parties. Such an arrangement is commonly referred to as a "parallel debt" arrangement. The Issuer has been advised that such a parallel debt creates a claim of the Trustee against the Issuer that can be secured by a right of pledge such as the rights of pledge created under the Issuer Rights Pledge and the Issuer Account Pledge.

The Notes

1.17 Proposed Changes to the Basel Capital Accord

The Basel Committee on Banking Supervision has published the text of the new capital accord under the title "Basel II: International Convergence on Capital Measurement and Capital Standards: a Revised Framework (the "**Framework**"). This Framework, which places enhanced emphasis on market discipline and sensitivity to risk, will serve as a basis for national and supra-national rule-making and approval processes to continue and for banking organisations to complete their preparation for the implementation of the Framework during 2007 and 2008. The Framework has been put into effect for credit institutions in Europe through the recasting of a number of prior directives and referred to as the EU Capital Requirements Directive ("**CRD**"), the final text of which was approved by the EU Council and EU Parliament and formally adopted on 14 June 2006. The Framework will, if not amended from its current form when implemented by regulators, affect risk weighting of the Notes for investors subject to the new Framework following its implementation (whether through the CRD or otherwise by non-EU regulators). Consequently, Noteholders should consult their own advisers as to the consequences to and effect on them of the application of the Framework, as implemented by their own regulator, to their holding of any Notes. The Issuer is not responsible for informing Noteholders of the effects of the changes to risk-weighting which will result for investors from the adoption by their own regulator of the Framework (whether or not implemented by them in its current form).

1.18 Restrictions on Transfer and Limited Liquidity

The Notes are subject to restrictions on transfer, as described in "SUBSCRIPTION AND SALE". Furthermore, there is currently no secondary market for the Notes and there can be no assurance given that such a market will develop or, if such a market does develop, that it will provide the holders of the Notes with liquidity or that it will continue for the life of the Notes. Moreover, the limited scope of information available to the Issuer, the Trustee and the Noteholders regarding the Reference Entities, Reference Obligations and the nature of any Credit Event may affect the liquidity of the Notes. Consequently, any purchaser of the Notes must be prepared to hold such Notes for an indefinite period of time or until final redemption or maturity of such Notes. Application has been made to list the Notes on Euronext Amsterdam. No application has been made to list the Notes on any other stock exchange.

1.19 Ranking of Notes

Payments of principal and interest in respect of a Class of Notes will not be made until all respective payments of principal and interest due in respect of all Classes of Notes more senior than it are made. Accordingly, the rights to receive payments in respect of the Class E Notes are junior and subordinate to the rights to receive payments in respect of the Class D Notes, the Class C Notes, the Class B Notes and the Class A Notes. The rights to receive payments in respect of the Class D Notes are junior and subordinate to the rights to receive payments in respect of the Class C Notes, the Class B Notes and the Class A Notes. The rights to receive payments in respect of the Class C Notes are junior and subordinate to the rights to receive payments in respect of the Class B Notes, the Class A Notes. The rights to receive payments in respect of the Class B Notes are junior and subordinate to the rights to receive payments in respect of the Class A Notes. The rights to receive payments in respect of the Class A Notes are senior to the rights to receive payments in respect of each other Class of Notes.

Furthermore, the obligations of the Issuer in relation to the Notes will be paid only after payment of amounts that rank prior to the Noteholders in the applicable Issuer's Priority of Payments.

1.20 Allocations of Loss

To the extent that any CPA Tranche Allocation Amount is allocated to any of the Tranches, the Adjusted Principal Balance of the Corresponding Class of Notes will be reduced by an amount equal to the CPA Tranche Allocation Amount, automatically and without any commensurate payment to Noteholders, in the Reverse Order of Seniority, until the Adjusted Principal Balance of such Class is reduced to zero.

1.21 Interest Entitlement

The amount of interest payable to Noteholders will be determined by reference to the Adjusted Principal Balance of the Notes and reductions in the Adjusted Principal Balance of the Notes will reduce the amount of interest payable on the Notes accordingly.

1.22 Redemption and Amortisation

To the extent not previously paid or reduced, the aggregate Adjusted Principal Balance of, and accrued and unpaid interest on, the Notes will be due and payable on the Interest Payment Date scheduled to fall on the Final Maturity Date.

Payment of principal on the Notes is expected to take place on the Scheduled Maturity Date but may commence prior to the Scheduled Maturity Date as a result of the occurrence of a Tax Redemption Event, a Termination Date or the Enforcement Date.

To the extent that the Notes are redeemed prior to the Final Maturity Date the holders of the Notes will bear the risk of reinvesting principal payments at a yield equal to the yield on their Notes.

Funds for Redemption of the Notes

On each Redemption Date (other than the Final Maturity Date) the amount of funds available for the payment of principal on the Notes will be limited, subject to prior ranking claims, to the Distributable Principal Amount for that date being an amount equal to the Adjusted Principal Balance of the Notes less the Maximum Noteholder Contribution Liability. The Maximum Noteholder Contribution Liability (and thus the Distributable Principal Amount) on any date will be dependent upon the actual and potential liabilities of the Issuer under the Credit Default Swap.

If and for so long as a positive Maximum Noteholder Contribution Liability exists, the Notes or a portion thereof will remain outstanding unless the Swap Counterparty elects to abandon its potential claim in respect of Outstanding Defaulted Reference Obligations.

Amortisation

On the Termination Date, and on each Interest Payment Date thereafter the Issuer shall, subject to any prior ranking claims in accordance with the applicable Issuer's Priority of Payments, apply Available Redemption Funds in redemption of the Notes in Order of Seniority and, within each Class, on a pro rata basis until they are fully redeemed (at their Adjusted Principal Balance together with any accrued but unpaid interest thereon).

Early Redemption of the Notes

Subject to Condition 5 (*Redemption*), redemption of the Notes will be triggered on, *inter alia*, an early termination of the Credit Default Swap (including an early termination pursuant to the exercise of the Clean-up Option or the Regulatory Change Option, the occurrence of a Tax Swap Termination Event or the Cash Deposit Agreement being terminated and not being replaced by a replacement Cash Deposit Agreement in accordance with the terms of the Cash Administration Agreement), in which case the Issuer will be obliged to redeem the Notes prior to their stated maturity.

The Issuer may, provided that it satisfies the Trustee that a Tax Redemption Event has occurred, by giving not less than 30 or more than 45 days notice to the Noteholders (which notice will be irrevocable) designate an Interest Payment Date as Tax Redemption Date. On the Tax Redemption Date, the Issuer shall, subject as provided in Condition 5 (*Redemption*), redeem the Notes.

Clean-up Option and Regulatory Change Option

The Swap Counterparty shall have the right (a) upon at least 10 and not more than 30 business days' prior written notice to the Issuer to terminate the Credit Default Swap on any Interest Payment Date, in whole and not in part, upon the occurrence of a Regulatory Change; and (b) on any Interest Payment Date upon at least 10 business days' prior written notice to the Issuer, to terminate the Credit Default Swap in whole and not in part if at any time the then current Reference Amount falls below 10 per cent. of the Reference Amount as at the Effective Date.

1.23 Trustee's Duties

At any time after the Security has become enforceable the Trustee shall not act on the directions or request of the holders of the Most Senior Class of Notes outstanding to the extent that such directions or request conflict with any direction or request of the Swap Counterparty. In such event the Trustee shall be obliged to act, on the direction or request of the Swap Counterparty irrespective of the effect thereof on the interests of the Noteholders and irrespective of any directions or requests made by the holders of the Most Senior Class of Notes, provided that the Trustee shall not act on any direction or request of the Swap Counterparty to the extent that an event of default has occurred under the Credit Default Swap and the Swap Counterparty is the Defaulting Party.

1.24 Suitability

Each investor should ensure that it understands the nature of the Notes and the extent of its exposure to risk, that it has all requisite knowledge and experience in financial and business matters and expertise (or access to professional advisers) to make its own legal, regulatory, tax, accounting and financial evaluation of the merits and risks of an investment in the Notes and to assess the suitability of such Notes in light of its own circumstances and financial condition, including, without limitation, whether the Notes (i) are fully consistent with its (or, if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) comply and are fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) are a fit, proper and suitable investment for it (or, if it is acquiring the Notes in a fiduciary capacity, for the beneficiary).

1.25 Independent Review

Each investor is responsible for making its own investment decision and its own independent appraisal of and investigation into the risks arising under the Notes and the Credit Default Swap, as well as any risks associated with the Reference Obligations, Rabobank Nederland, the Local Rabobanks, the Reference Entities and their respective businesses, financial condition, prospects, creditworthiness, status and affairs. Neither the Issuer nor any of the parties to the Transaction Documents will have any responsibility or duty to make any such investigations, to keep any such matters under review or to provide the investors with any information in relation to such matters or to advise as to the attendant risks.

1.26 EU Savings Directive

Since 7 June 2005, the last necessary approval for the EU Savings Directive ("**Directive**") was granted by the EU's council of Economic and Finance Ministers. Therefore, the Directive has been effective since 1 July 2005. The Directive requires the disclosure of information by paying agents in EU member states and certain other countries and territories. These paying agents are required to provide to the tax authorities of other EU member states details of payments of interest and other similar income paid to individual beneficial owners resident in the other EU member state. Austria, Belgium, Luxembourg and certain other countries and territories will instead of disclosure impose a withholding tax on such payments. As from 1 July 2005 the withholding tax rate in effect is 15 per cent. On 1 July 2008 and 1 July 2011 the percentage will be increased to 20 per cent. and 35 per cent., respectively.

The Issuer believes that the risks described above are the material risks inherent in the transaction for the Noteholders, that the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the above statements regarding the risk of holding the Notes are exhaustive and other risks may exist that are currently not known or that, based on today's knowledge, are not deemed to be material enough to be included in this section.

2. THE PARTIES

Issuer:	BEST SME 2007 B.V., a private limited liability company (<i>besloten vennootschap met beperkte aansprakelijkheid</i>), incorporated under the laws of The Netherlands and having its registered office at Naritaweg 165, 1043 BW Amsterdam, The Netherlands. The Issuer has been established for the purpose of issuing the Notes and entering into the Transaction Documents.
Parent:	Stichting Holding BEST SME 2007, a foundation (<i>stichting</i>) established under the laws of The Netherlands and holding all of the outstanding share capital of the Issuer.
Trustee :	Stichting Trustee BEST SME 2007, in its capacity as Trustee for the Swap Counterparty, the Noteholders and the other Secured Parties in accordance with the terms of the Trust Deed and the Security Documents and as holder of the Security under the Security Documents for the benefit of the Swap Counterparty, the Noteholders and the other Secured Parties.
Directors:	Trust International Management (T.I.M.) B.V. is the sole director of the Issuer, Europe Management Company B.V. is the sole director of the Trustee and Trust International Management (T.I.M.) B.V. is the sole director of the Parent (each referred to herein as a " Director " and together the " Directors ").
Swap Counterparty :	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as "Rabobank Nederland"), acting out of its office at Croeselaan 18, 3521 CB Utrecht, The Netherlands (" Rabobank Nederland ") will act as Swap Counterparty.
Cash Administrator:	Rabobank Nederland will act as Cash Administrator for the Issuer pursuant to the Cash Administration Agreement.
Cash Deposit Bank:	Rabobank Nederland will act as the initial Cash Deposit Bank in relation to the Cash Deposit pursuant to the Cash Deposit Agreement.
Issuer Account Bank:	Rabobank Nederland will act as initial Issuer Account Bank in relation to the Issuer Account.
Reserve Account Bank:	Rabobank Nederland will act as initial Reserve Account Bank in relation to the Reserve Account (and in its capacity as Cash Deposit Bank, the Issuer Account Bank and the Reserve Account Bank, the " Account Bank ").
Agent Bank:	Deutsche Bank AG, London Branch, will act as Agent Bank in accordance with the terms of the Paying Agency and Agent Bank Agreement.

CD Principal Paying Agent:	Deutsche Bank AG, London Branch, will act as CD Principal Paying Agent in respect of the CD Notes through its principal office in London in accordance with the terms of the Paying Agency and Agent Bank Agreement.
EN Principal Paying Agent:	Rabobank Nederland (trading as "Rabo Securities") will act as EN Principal Paying Agent in respect of the EN Notes in accordance with the terms of the Paying Agency and Agent Bank Agreement.
CD Paying Agent:	Deutsche Bank AG, Amsterdam Branch, acting out of its office at Herengracht 450-454, 1017 CA Amsterdam, The Netherlands, will act as CD Paying Agent in respect of the CD Notes in accordance with the terms of the Paying Agency and Agent Bank Agreement.
EN Paying Agent:	Rabobank Nederland (trading as "Rabo Securities") will act as EN Paying Agent in respect of the EN Notes in accordance with the terms of the Paying Agency and Agent Bank Agreement.
Common Depositary:	Deutsche Bank AG, London Branch.
Rating Agencies:	Moody's, Fitch and S&P.
Manager:	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as "Rabobank International"), acting out of the London Branch at Thames Court, One Queenhithe, London EC4V 3RL, United Kingdom, in its capacity as arranger of the transaction and manager of the issue of the Notes (" Rabobank International ").
Calculation Agent:	Rabobank Nederland will act as calculation agent under the Credit Default Swap.
Listing Agent:	Rabobank International will act as listing agent in connection with the listing of the Notes on Euronext Amsterdam.

3. PRINCIPAL FEATURES OF THE NOTES

The Notes:

On the Closing Date, the Issuer will issue:

- (i) EUR 7,132,500,000 in aggregate principal amount of Class A Notes;
- (ii) EUR 123,750,000 in aggregate principal amount of Class B Notes;
- (iii) EUR 75,000,000 in aggregate principal amount of Class C Notes;
- (iv) EUR 120,000,000 in aggregate principal amount of Class D Notes;
and
- (v) EUR 48,750,000 in aggregate principal amount of Class E Notes.

Each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes are herein referred to as a "**Class**" of Notes. The entire principal amount of each Class of Notes will be issued on or about the Closing Date.

The Notes will be constituted by the Trust Deed and will be limited recourse debt obligations of the Issuer. Payments of principal and interest on the Notes and the payment of the expenses of the Issuer will be made solely from the proceeds of the Secured Property.

Certain fees and expenses of, and obligations to the Trustee, the Swap Counterparty, the Paying Agents, the Account Bank and certain other persons to whom the Issuer owes any obligations from time to time will be senior in right of payment on each Interest Payment Date to the payment of interest and principal due on the Notes.

Form and Denomination of Notes:

The Class A Notes will be in book-entry form and will initially be represented by a temporary global note in bearer form (the "**EN Temporary Global Note**"), without coupons or talons, which is expected to be deposited with *Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.* ("**Euroclear Netherlands**") on or about the Closing Date. Such EN Temporary Global Note will be exchangeable not earlier than 40 days but no later than 90 days after the later of the Closing Date and the commencement of the offering of the Notes upon receipt by the Issuer of certification of non-US beneficial ownership from Euroclear Netherlands for interests in a permanent global note in bearer form without coupons or talons (the "**EN Permanent Global Note**", and together with the EN Temporary Global Note the "**EN Global Notes**") for the Class A Notes, which will also be deposited with Euroclear Netherlands.

The Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will be initially represented by a temporary global note in bearer form (a "**CD Temporary Global Note**"), without coupons or talons, which is expected to be deposited with a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream Luxembourg**"), on or about the Closing Date. Each such CD Temporary Global Note will be exchangeable not earlier than 40 days but no later than 90 days after the

later of the Closing Date and the commencement of the offering of the Notes upon receipt by the Issuer of certification of non-US beneficial ownership from Euroclear or Clearstream Luxembourg, as appropriate, for interests in a permanent global note in bearer form without coupons or talons (a "**CD Permanent Global Note**", and together with each CD Temporary Global Note, the "**CD Global Notes**" and the CD Global Notes together with the EN Global Notes, the "**Global Notes**") for the relevant Class of Notes, which will also be deposited with the common depositary. Interests in each CD Permanent Global Note will, in certain limited circumstances, be exchangeable for definitive notes of the relevant Class in bearer form.

The Notes will be issued in denominations of EUR 50,000 each.

Status and Ranking:

The Notes will constitute direct and secured obligations of the Issuer. The payment of principal and interest on the Class A Notes will be senior in right of payment on each Interest Payment Date to the payment of principal and interest on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes; the payment of principal and interest on the Class B Notes will be senior in right of payment on each Interest Payment Date to the payment of principal and interest on the Class C Notes, the Class D Notes and the Class E Notes; the payment of principal and interest on the Class C Notes will be senior in right of payment on each Interest Payment Date to the payment of principal and interest on the Class D Notes and the Class E Notes; the payment of principal and interest on the Class D Notes will be senior in right of payment on each Interest Payment Date to the payment of principal and interest on the Class E Notes.

The Notes represent the right to receive interest and principal payments from the Issuer in accordance with the Conditions and the Trust Deed.

Security for the Notes:

As security for a parallel debt owed by the Issuer to the Trustee, corresponding to the obligations of the Issuer to the Noteholders and the other Secured Parties, the Issuer will grant to the Trustee:

- (a) pursuant to a Dutch law pledge deed (the "**Issuer Rights Pledge**") with the Trustee, a first ranking disclosed right of pledge over all of its rights (*vorderingen op naam*), present and future, in and to the Transaction Documents to which it is a party;
- (b) pursuant to a Dutch law pledge deed (the "**Issuer Account Pledge**") with the Trustee, a first ranking disclosed right of pledge over all of its rights (*vorderingen op naam*), present and future, in and to the Cash Deposit, the Reserve Account and the Issuer Account and all monies standing to the credit thereof or being owed thereunder; and
- (c) upon the occurrence of a CD Replacement Date, pursuant to a pledge deed (a "**Replacement Cash Deposit Pledge**") (if any) with the Trustee, a first ranking disclosed right of pledge over all of its rights, present and future, in and to any replacement Cash Deposit and all

monies standing to the credit thereof.

Pursuant to the terms of the Security Documents, amounts standing to the credit of the Cash Deposit and/or the Reserve Account may, in the following and certain other circumstances, be released from, as the case may be, the Cash Deposit or the Reserve Account if the Issuer is required to:

- (a) make a Credit Protection Amount to the Swap Counterparty on the Cash Settlement Date; and/or
- (b) repay principal on the Notes,

and such payment or, as the case may be, repayment is required to be financed in whole or in part by the Issuer making a payment from the Reserve Account or liquidating the Cash Deposit in accordance with the terms of the Cash Deposit Agreement.

**Interest Periods and
Interest Rate:**

Interest shall accrue on each Class of Notes, calculated on the basis of their Adjusted Principal Balance, from and including the Closing Date until the due date for redemption, on each 23 March, 23 June, 23 September and 23 December of each year (an "**Interest Payment Date**" subject in each case to adjustment for non-business days as set out in the Conditions, by reference to successive Interest Periods (the "**Interest Period**") beginning on (and including) the Closing Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date.

Interest payments shall be made on Interest Payment Dates only to the extent the Issuer has funds available for the purpose and in accordance with the Available Income Funds Priority of Payments.

The Rate of Interest applicable in respect of each Class of Notes, shall be the rate set out below opposite such Class of Notes (save that (x) in the case of the first Interest Period, the rate will be a linear interpolation of EURIBOR for 3-month and 4-month euro deposits plus the Relevant Margin, and (y) if the Notes are redeemed on the Scheduled Maturity Date or the Final Redemption Date, the rate for the last Interest Period will be one month EURIBOR plus the Relevant Margin):

Class	Rate of Interest
Class A Notes	3 month EURIBOR plus 0.15%
Class B Notes	3 month EURIBOR plus 0.85%
Class C Notes	3 month EURIBOR plus 1.30%
Class D Notes	3 month EURIBOR plus 2.30%
Class E Notes	3 month EURIBOR plus 3.00%

EURIBOR shall be calculated in accordance with the Conditions.

Adjusted Principal

As of any date or time of determination, the Adjusted Principal Balance of any Class of Notes will be an amount equal to (i) the Initial Principal

Balance:	<p>Balance of such Class of Notes; minus (ii) the aggregate amount applied in reduction of the Adjusted Principal Balance of such Class on or before such date or time; minus (iii) the aggregate amount of payments, if any, of principal made in respect of such Class of Notes on or before such date or time. With respect to a Note of any Class on any date, such Adjusted Principal Balance will be the Adjusted Principal Balance of the Notes of such Class on such date divided by the number of Notes of such Class.</p> <p>At any time and on a Redemption Date, the Adjusted Principal Balance of the Notes (or any Class of Notes) may be less than the Initial Principal Balance of the Notes (or any Class of Notes).</p>
Maturity:	<p>The Notes are expected to mature on 23 July 2009 (the "Scheduled Maturity Date"), subject as described below and as set out in the Conditions. The Notes shall mature on the date (the "Final Redemption Date") which is the earlier of (a) the Interest Payment Date upon which the Notes have been redeemed in full, and (b) 25 July 2011. The Notes will continue to bear interest, as set out above, until the Final Redemption Date.</p>
Timing of Redemption:	<p>Payment of principal on the Notes is expected to take place on the Scheduled Redemption Date. Unless payments of principal commence prior thereto and/or the Distributable Principal Amount available for distribution on that date is less than the Adjusted Principal Balance of the Notes, the Notes will be redeemed at their respective Adjusted Principal Balances together with any accrued but unpaid interest thereon on the Scheduled Maturity Date.</p> <p>Payment of principal on the Notes may commence prior to the Scheduled Redemption Date as a result of amortisation in accordance with Condition 5.4 (<i>Mandatory Redemption</i>) or the occurrence of a Tax Redemption Event, a Termination Date or the Enforcement Date.</p> <p>If the Notes are not redeemed in full at their respective Adjusted Principal Balance together with any accrued but unpaid interest thereon upon the date that the repayment of principal is expected to occur, Available Redemption Funds will be distributed on each Interest Payment Date thereafter, to the extent of the Distributable Principal Amount on such date, until the Notes are redeemed or the Adjusted Principal Balance thereof is otherwise written down to zero.</p> <p>Unless previously redeemed, the Notes will be redeemed at their respective Adjusted Principal Balances together with any accrued but unpaid interest thereon on the Final Maturity Date (subject to the limited recourse provisions of Condition 7 (<i>Payment Shortfalls, Prescription and Taxes</i>)).</p>
Distributable Principal Amount:	<p>On each Redemption Date (other than the Final Maturity Date) the amount of funds available for the payment of principal on the Notes will be limited to a Distributable Principal Amount equal to the Adjusted Principal Balance of the Notes less the Maximum Noteholder Contribution Liability.</p>
Maximum Noteholder	<p>The Maximum Noteholder Contribution Liability (and thus the</p>

Contribution Liability:	Distributable Principal Amount) on any date will be dependent upon the existing payment liabilities of the Issuer under the Credit Default Swap and the maximum payment liabilities that the Issuer could incur if the Conditions to Settlement were satisfied with respect to the remaining Outstanding Defaulted Reference Obligations in the Reference Portfolio. The Maximum Noteholder Contribution Liability on any Interest Payment Date will be limited to the Outstanding Claims Amount less the greater of (i) zero and (ii) the Reserve Account Balance as at the relevant Interest Payment Date.
Outstanding Claims Amount:	The Outstanding Claims Amount in respect of any Interest Payment Date will be equal to the sum of the aggregate Reference Obligation Notional Amount of each Reference Obligation (then included in the Reference Portfolio) that is an Outstanding Defaulted Reference Obligation in respect of which a Loss Amount has not been determined as of the Reporting Date immediately preceding such Interest Payment Date.
Events of Default:	<p>The Events of Default are set out in Condition 8 (<i>Events of Default</i>) and include, without limitation, unremedied defaults by the Issuer relating to the payment of principal or interest on the Notes and insolvency of the Issuer.</p> <p>Upon the occurrence of an Event of Default the Trustee may at its discretion and will, in certain circumstances as set out in the Conditions, become obliged to deliver an Enforcement Notice to the Issuer and others declaring the Notes to be immediately due and payable.</p>
Amortised Redemption:	On the Termination Date, and on each Interest Payment Date thereafter the Issuer shall, subject to any prior ranking claims in accordance with the applicable Issuer's Priority of Payments, apply Available Redemption Funds in redemption of the Notes (including the payment of any outstanding reinstated interest allocated to any Class) in Order of Seniority and, within each Class, on a pro rata basis until they are fully redeemed (at their Adjusted Principal Balance together with any accrued but unpaid interest thereon).
Taxation of Payments on the Notes:	All payments of, or in respect of, principal and interest on the Notes will be made without withholding of, or deduction for or on account of, any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of The Netherlands, any authority therein or thereof having power to tax unless the withholding or deduction of such taxes, duties, assessments or charges by the Issuer or Paying Agents (as the case may be) are required by law. In that event, the Issuer or Paying Agents (as the case may be) will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not be obliged to pay any additional amounts to such Noteholders in respect of such withholding or deduction.
Ratings:	It is a condition to the issuance of the Notes that the Class A Notes, the

Class B Notes, the Class C Notes and the Class D Notes respectively be assigned the ratings indicated in the table below by S&P, Fitch and Moody's:

Class	S&P	Fitch	Moody's
Class A Notes:	AAA	AAA	Aaa
Class B Notes:	AA	AA	Aa2
Class C Notes:	A	A	A2
Class D Notes:	BBB	BBB	Baa3

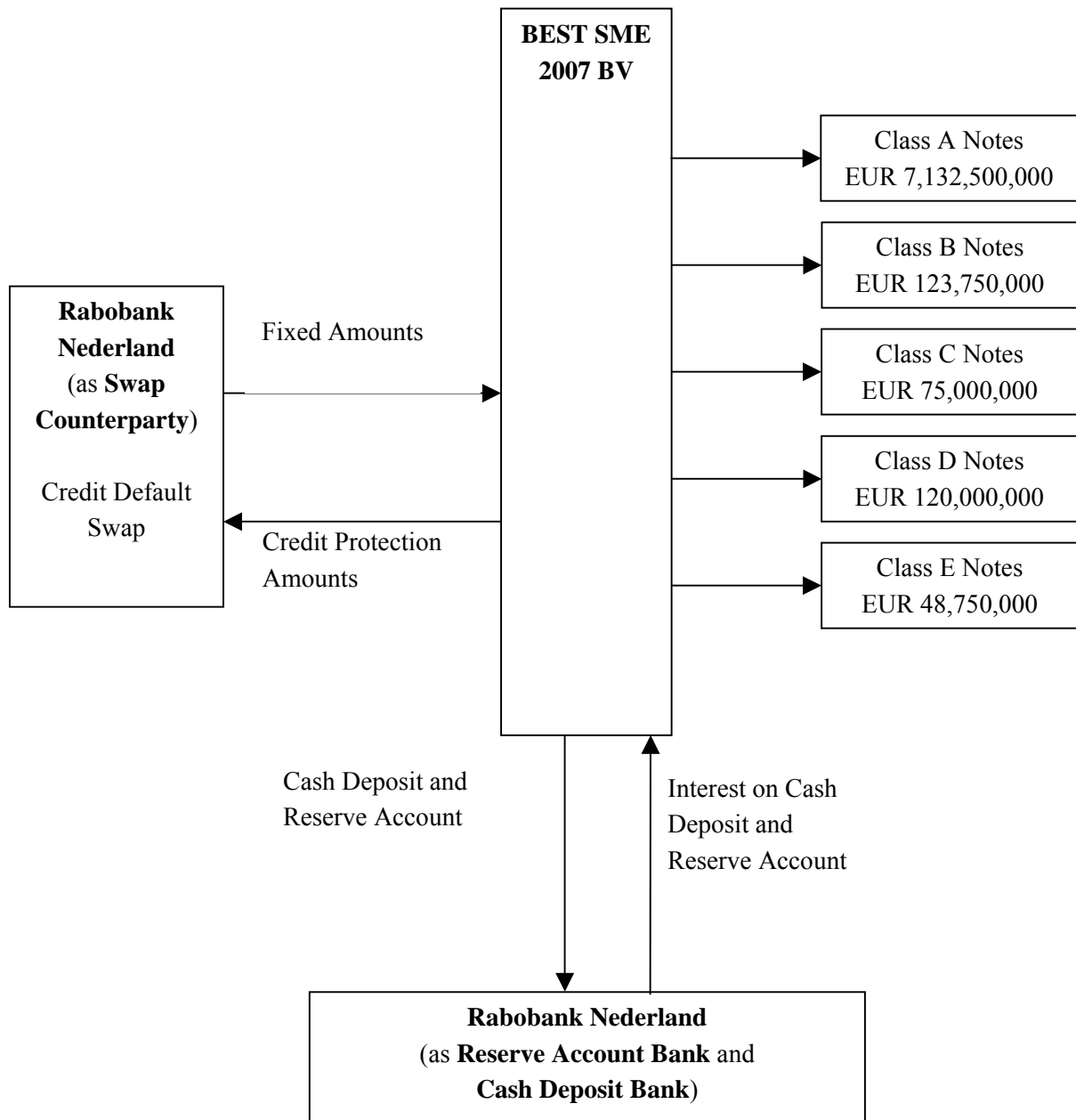
The Class E Notes shall not be rated. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by any one or all of the Rating Agencies.

Listing: Application has been made for the Notes to be listed on Euronext Amsterdam.

Governing Law: The Notes will be governed by the laws of The Netherlands.

4. TRANSACTION DIAGRAM

Prospective investors are advised to read carefully, and should rely on, the entire Prospectus in making their investment decisions. This diagram does not include all relevant information relating to the Notes, particularly with respect to the risks and special considerations associated with an investment in the Notes.



5. OVERVIEW OF THE TRANSACTION

The following overview does not purport to be complete and is taken from, and qualified in its entirety by, the more detailed information contained elsewhere in this Prospectus, including, without limitation, the Conditions. Words or expressions used but not expressly defined in this overview shall have the meanings given to them elsewhere in the Prospectus, including the Conditions. This overview is not a summary in the sense of article 5.14 of the Financial Supervision Act (Wet op het financieel toezicht).

5.1 Credit Default Swap

On the Signing Date, the Issuer and the Swap Counterparty will enter into the Credit Default Swap pursuant to which the Issuer will provide credit protection in respect of a number of Reference Entities and Reference Obligations. For a detailed description of the Credit Default Swap, see the Section "DESCRIPTION OF THE CREDIT DEFAULT SWAP".

The Reference Portfolio

The portfolio in respect of which the Credit Default Swap is entered into will consist of a portfolio of Reference Obligations consisting of payment obligations of certain Reference Entities (as the same may be adjusted from time to time).

The Reference Obligations have been originated or acquired by the Swap Counterparty, local cooperative credit institutions which are members of the Rabobank Group ("**Local Rabobanks**") and/or any of its or their Affiliates or predecessors in compliance with the standard credit policies applicable at the time of origination.

The Reference Entities and the related Reference Obligations will be specified in the Reference Registry and will each be identified by an identification code in the Reference Registry.

Reference Obligations

The Reference Obligations will be payment obligations of the Reference Entities specified as such in the Reference Registry and comprised in the Reference Portfolio. The Swap Counterparty is required to maintain a registry specifying certain detailed information in respect of each Reference Obligation and Reference Entity. The obligations under the Reference Obligations may be secured by Reference Collateral.

Reference Portfolio

The Reference Obligations and Reference Entities that form part of the Reference Portfolio will be required to satisfy certain eligibility criteria which are described below in Section "ELIGIBILITY AND PORTFOLIO CRITERIA".

The maximum aggregate Reference Obligation Notional Amounts on any day may not exceed the Reference Amount on such day.

The initial Reference Entities and related Reference Obligations and the Reference Obligation Notional Amounts have been designated by the Swap Counterparty as of the Portfolio Composition Date, and thereafter are subject to variation from time to time pursuant to any Adjustment. As of the Portfolio Composition Date, the Reference Portfolio complied with the Reference Portfolio Criteria.

Tranches

For the purposes of determining the Issuer's rights and obligations under the Credit Default Swap, certain Tranches of risk in respect of the Reference Portfolio have been designated, each with an Initial Notional Amount that is subject to a reduction (in the Reverse Order of Seniority) in the event that there are CPA Tranche Allocation Amounts. The Issuer's liability under the Credit Default Swap shall be limited to any CPA Tranche Allocation Amounts allocated to any Tranche.

Fixed Payments

The Swap Counterparty will until (and including) the Final Redemption Date make periodic payments to the Issuer in the form of the Fixed Amounts.

Cash Settlement Amounts

Subject to the occurrence of one or more Credit Events and certain other conditions, the Issuer may become liable to make payments of Cash Settlement Amounts to the Swap Counterparty.

No Cash Settlement Amounts will be payable in respect of a Reference Entity or a Reference Obligation in relation to which a Credit Event has occurred, unless the Swap Counterparty has delivered to the Issuer a Credit Event Notice within the Notice Delivery Period that describes a Credit Event that occurred on or after the Effective Date and on or prior to the Reporting Date immediately preceding the Termination Date.

Determination of Loss Amounts

On each Reporting Date, the Calculation Agent shall report the Loss Amount in respect of each Defaulted Reference Obligation that became, during the immediately preceding Reporting Period, either a Worked Out Reference Obligation or an Estimated Reference Obligation.

The Calculation Agent is required to allocate any CPA Tranche Allocation Amounts to the Tranches in accordance with the Allocation Procedures.

Adjustment

The Swap Counterparty may, at its option and provided that the criteria have been met (a) increase or decrease the Reference Obligation Notional Amount of any Reference Obligation, or (b) introduce new Reference Obligations of existing or new Reference Entities.

Swap Termination Option

The Swap Counterparty shall have the right to terminate the Credit Default Swap in whole upon the exercise of the Regulatory Change Option or the Clean-up Option.

Early Termination Date

An Early Termination Date may be designated by either the Issuer or the Swap Counterparty upon the occurrence, with respect to the other party, of certain events including payments defaults (of five business days or more), certain bankruptcy-related events, merger by another party without assumption by the new entity of the liabilities of the old entity under the Credit Default Swap, the contractual performance of such other party's obligations becoming illegal termination of the Cash Deposit Agreement without it being replaced by a Replacement Cash Deposit Agreement, and the occurrence of certain tax related events relating to the Credit Default Swap or the Notes.

5.2 Reserve Account

The Issuer (or the Calculation Agent on its behalf) will deposit into an account in the name of the Issuer (the "**Reserve Account**", which expression shall include any replacement Reserve Account), held with the Reserve Account Bank, amounts on each Interest Payment Date in accordance with the Available Income Funds Priority of Payments to the extent of Available Income Funds until the balance standing to the credit of the Reserve Account on such Interest Payment Date is equal to the Required Reserve Amount. Administration of such account is subject to the provisions set forth in the Cash Administration Agreement. Amounts standing to the credit of the Reserve Account will be available to the Issuer to fund, among other things, Credit Protection Amounts.

The bank with which the Reserve Account is to be held (the "**Reserve Account Bank**", which expression shall include any replacement bank in respect thereof, and which initially shall be Rabobank Nederland) shall have a short-term credit rating of at least P-1 from Moody's, F1+ from Fitch and A-1 from S&P and a long-term credit rating of at least A1 from Moody's (the "**Reserve Account Bank Required Rating**").

In the event that the Reserve Account Bank is downgraded below the Reserve Account Bank Required Rating, then on any date which is within 30 calendar days of such downgrade, the Issuer will arrange for the transfer of all amounts then standing to the credit of the Reserve Account to a successor Reserve Account Bank having the Reserve Account Bank Required Rating (and the Trustee will be required to release any security in relation thereto subject to substitute security being created in respect of the amounts so transferred, and shall bear no liability for so releasing the security).

5.3 Cash Deposit

On the Closing Date, the Issuer will utilise the proceeds of the issue of the Notes to make a deposit (the "**Cash Deposit**", which expression shall include any cash deposit replacing the initial Cash Deposit) in the name of the Issuer, with a bank (the "**Cash Deposit Bank**", which expression shall include any replacement bank in respect thereof, and which initially shall be Rabobank Nederland) which has a short-term credit rating of P-1 from Moody's, F1+ from Fitch and A-1 from S&P and a long-term credit rating of at least A1 from Moody's (the "**Cash Deposit Bank Required Rating**"). Such Cash Deposit will be made pursuant to a cash deposit agreement (the "**Cash Deposit Agreement**", which expression shall include any cash deposit agreement replacing the initial Cash Deposit Agreement upon the replacement of the initial Cash Deposit by a cash deposit with a third party other than Rabobank Nederland). The Cash Deposit Agreement provides for periodic income payments to be made to the Issuer on each Interest Payment Date (such income, together with any interest received by the Issuer in respect of the Reserve Account and the Issuer Account, collectively, the "**Issuer CD Income**").

In the event that the Cash Deposit Bank is downgraded below the Cash Deposit Bank Required Rating, then on any date which is within 30 calendar days of such downgrade, the Issuer will liquidate the Cash Deposit (and the Trustee will be required to release any security in relation thereto and shall bear no liability for so releasing the security) and use the proceeds thereof to enter into a replacement Cash Deposit Agreement with a successor Cash Deposit Bank which has the Cash Deposit Bank Required Rating.

5.4 Release

The Cash Deposit Agreement provides that in the event that a Credit Protection Amount is owing by the Issuer under the Credit Default Swap in excess of the Reserve Account Balance, an amount of the Cash Deposit equal to the CPA Tranche Allocation Amount will be released to the Issuer by the Cash Deposit Bank in order to satisfy such payment. The Cash Deposit Agreement also provides that, on each Interest Payment Date, income amounts earned in relation to the Cash Deposit will be released to the Issuer to satisfy in part, among other things, interest payments on the Notes.

5.5 Issuer's Priority of Payments

The Available Income Funds Priority of Payments, Available Redemption Funds Priority of Payments and Post-Enforcement Priority of Payments (each as defined below) shall collectively be defined as the "**Issuer's Priority of Payments**".

Available Income Funds Priority of Payments

For so long as the Trustee has not delivered an Enforcement Notice, in which case the Post-Enforcement Priority of Payments shall apply, on each Interest Payment Date, the Available Income Funds for such Interest Payment Date will be allocated and applied as follows in the following priority (the "**Available Income Funds Priority of Payments**"):

- (1) by retaining an amount equal to the higher of (i) € 625 (i.e. € 2,500 per annum) and (ii) 2.5 per cent. (i.e. 10 per cent. per annum) of the annual amount due and payable by the Issuer to its Director in connection with the Issuer Management Agreement, representing taxable income for corporate income tax purposes in The Netherlands, for deposit into the Issuer Capital Account of which a part is to be applied towards satisfaction of the Issuer's corporate income tax liability from time to time;
- (2) to pay any Budgeted Operating Expenses and any Exceptional Expenses (each as defined below) due and unpaid to the Trustee on such Interest Payment Date;
- (3) to pay or provide for any tax liabilities then due and incurred by, or assessments made against, the Issuer (other than any Dutch corporate income tax in relation to the amounts equal to the minimum profit referred to in paragraph (1) above);
- (4) to pay *pari passu* to the relevant parties (other than the Trustee) the Budgeted Operating Expenses then due and unpaid on such Interest Payment Date;
- (5) to pay any accrued and unpaid interest on each Class of Notes on such Interest Payment Date in the Order of Seniority;
- (6) to pay *pari passu* to the Operating Creditors (as defined below) (other than the Trustee) any Exceptional Expenses then due and unpaid on such Interest Payment Date;
- (7) to pay into the Reserve Account an amount equal to the amount (if any) required to bring the balance of the Reserve Account up to the Required Reserve Amount; and
- (8) to pay to the Swap Counterparty the Additional Floating Amount due and unpaid on such date.

Available Redemption Funds Priority of Payments

On any Interest Payment Date on which the Notes are to be redeemed in whole or in part or have been declared due and repayable (other than following the delivery of an Enforcement Notice) in accordance with the Conditions, the Issuer shall apply Available Redemption Funds

as follows and in the following order of priority (the "**Available Redemption Funds Priority of Payments**"):

- (1) to pay any Budgeted Operating Expenses and any Exceptional Expenses then due and unpaid to the Trustee on such Interest Payment Date (to the extent not paid out of Available Income Funds);
- (2) to pay or provide for any tax liabilities then due and incurred by, or assessments made against, the Issuer (to the extent not paid out of Available Income Funds);
- (3) to pay *pari passu* to the Operating Creditors (other than the Trustee) any Budgeted Operating Expenses then due and unpaid on such Interest Payment Date (to the extent not paid out of Available Income Funds);
- (4) to pay to the Swap Counterparty the aggregate amount of Credit Protection Amounts, if any, due and unpaid on such Interest Payment Date;
- (5) to make payments of principal then due on each Class of Notes, calculated at their Adjusted Principal Balance, in the Order of Seniority;
- (6) to pay *pari passu* to the Operating Creditors (other than the Trustee) any Exceptional Expenses then due and unpaid on such Interest Payment Date (to the extent not paid out of Available Income Funds);
- (7) to pay *pari passu* to the Cash Deposit Bank any break costs in accordance with the provisions of the Cash Deposit Agreement; and
- (8) to pay to the Swap Counterparty the Additional Floating Amount due and unpaid on such date.

Post-Enforcement Priority of Payments

Following the delivery of an Enforcement Notice the Post-Enforcement Funds shall be applied as follows and in the following order of priority (the "**Post-Enforcement Priority of Payments**"):

- (1) to pay any Budgeted Operating Expenses and Exceptional Expenses then due and unpaid to the Trustee on such date;
- (2) to pay or provide for any tax liabilities due or incurred by, or assessments made against, the Issuer on such date;
- (3) to pay to the Swap Counterparty the aggregate amount of Credit Protection Amounts, if any, due and unpaid on such date;
- (4) to pay *pari passu* and *pro rata* according to the amount then payable all principal (calculated at the Adjusted Principal Balance thereof) and interest then due and unpaid in respect of the Class A Notes, applying the payment first to interest and then to principal;
- (5) to pay *pari passu* and *pro rata* according to the amount then payable all principal (calculated at the Adjusted Principal Balance thereof) and interest then due and unpaid in respect of the Class B Notes, applying the payment first to interest and then to principal;
- (6) to pay *pari passu* and *pro rata* according to the amount then payable all principal

(calculated at the Adjusted Principal Balance thereof) and interest then due and unpaid in respect of the Class C Notes, applying the payment first to interest and then to principal;

- (7) to pay *pari passu* and *pro rata* according to the amount then payable all principal (calculated at the Adjusted Principal Balance thereof) and interest then due and unpaid in respect of the Class D Notes, applying the payment first to interest and then to principal;
- (8) to pay *pari passu* and *pro rata* according to the amount then payable all principal (calculated at the Adjusted Principal Balance thereof) and interest then due and unpaid in respect of the Class E Notes, applying the payment first to interest and then to principal;
- (9) to pay *pari passu* to the Operating Creditors (other than the Trustee) any Budgeted Operating Expenses and Exceptional Expenses then due and unpaid on such date;
- (10) to pay *pari passu* to the Cash Deposit Bank any break costs pursuant to the terms of the Cash Deposit Agreement; and
- (11) to pay to the Swap Counterparty the Additional Floating Amount due and unpaid on such date.

5.6 Security for the Notes

Pursuant to the Trust Deed, the obligations of the Issuer under a parallel debt owed to the Trustee will be secured under the Security Documents in favour of the Trustee. The Issuer will grant in favour of the Trustee, amongst other things, (a) a first priority right of pledge over all of its rights (*vorderingen op naam*), present and future, in and to the Transaction Documents to which it is a party; and (b) a first priority right of pledge over all of its rights (*vorderingen op naam*), present and future, in and to, the Cash Deposit, the Reserve Account and the Issuer Account. Any amounts received by the Trustee following the enforcement of the Security Documents will be applied in accordance with the Post-Enforcement Priority of Payments.

6. DESCRIPTION OF THE CREDIT DEFAULT SWAP

The following description of the Credit Default Swap consists of a summary of certain of its provisions and is qualified by reference to the detailed provisions of the Credit Default Swap. Prospective investors must refer to the Credit Default Swap for detailed information regarding the Credit Default Swap.

6.1 General

On the Signing Date, the Issuer will enter into a credit default swap (the "**Credit Default Swap**") with the Swap Counterparty with as effective date the Closing Date (the "**Effective Date**"). The Credit Default Swap is entered into pursuant to a 1992 ISDA Master Agreement (Multi-Currency Cross Border), the schedule thereto and the swap confirmation to be dated as of the Effective Date between the Issuer and the Swap Counterparty. The Credit Default Swap will incorporate the 2003 Credit Derivative Definitions, as published by the International Swaps and Derivatives Association, Inc. to the extent amended by the Credit Default Swap.

Noteholders are deemed to have notice of the Credit Default Swap.

6.2 Reference Portfolio

The portfolio in respect of which the Credit Default Swap is entered into (as the same may be adjusted from time to time) will consist of a portfolio of Reference Obligations (the "**Reference Portfolio**") consisting of payment obligations of one or more obligors or groups of obligors identified as such in the Reference Registry (including any successor to such obligors or groups of obligors, the "**Reference Entities**").

The Reference Obligations have been originated or acquired by the Swap Counterparty, the Local Rabobanks and/or any of its or their Affiliates or predecessors in compliance with the standard credit policies applicable at the time of origination.

The Swap Counterparty and/or any of the Local Rabobanks held the Reference Obligations included in the Initial Reference Portfolio as at 31 October 2007 (the "**Portfolio Composition Date**") and will hold the Reference Obligation that are added to the Reference Portfolio on any Adjustment Date. However, neither the Swap Counterparty nor the Local Rabobanks shall be obliged to retain such Reference Obligation thereafter. In addition, there is no restriction whatsoever on the Swap Counterparty's or the Local Rabobank's ability to retain, sell or otherwise dispose of a Reference Obligation.

The Swap Counterparty will agree in the Credit Default Swap with the Issuer that during the term of the Credit Default Swap:

- (a) in its dealings with the Reference Obligations and the Reference Entities, it shall not knowingly act against the interests of the Noteholders;
- (b) the relevant credit departments of Rabobank Nederland and the Local Rabobanks will not be informed that a particular obligation or client is part of, or included in, the Reference Portfolio (with regard to the Swap Counterparty only, except in connection with the determination whether a Credit Event has occurred);
- (c) if and to the extent that material changes are made to Rabobank's lending policies, it shall inform the Issuer and each of the Rating Agencies promptly of such changes; and

- (d) the Swap Counterparty shall not amend its internal procedures for the selection of Reference Obligations and Reference Entities (a copy of which will be provided to the Issuer and the Trustee).

6.3 Reference Obligations

The Reference Obligations will be payment obligations of the Reference Entities specified as such in the Reference Registry and comprised in the Reference Portfolio (each a "**Reference Obligation**").

In respect of each Reference Obligation and at any time, the "**Reference Obligation Notional Amount**" shall be an amount designated by the Swap Counterparty, denominated in euro identified as such in the Reference Registry. The Reference Obligation Notional Amount designated in respect of a Reference Obligation may be less than the Reference Obligation Aggregate Outstanding Amount or the maximum amount that may be drawn of the Reference Obligation.

More than one Reference Obligation may be designated with respect to a single Reference Entity.

The initial Reference Entities, the Reference Obligations and Reference Obligation Notional Amounts have been designated by the Swap Counterparty as of the Portfolio Composition Date, and thereafter are subject to variation from time to time pursuant to any Adjustment. At the Portfolio Composition Date, the Reference Portfolio complied with the Reference Portfolio Criteria.

The Reference Obligation Notional Amount of any Reference Obligation (i) may be increased as a result of an Adjustment, or (ii) may be reduced at the option of the Swap Counterparty, and (iii) shall in respect of a Non-Conforming Reference Obligation be reduced but only to the extent of the amount associated with the non-compliance, contravention or worsening of contravention.

With respect to any Reference Obligation and at any time, the "**Reference Obligation Aggregate Outstanding Amount**" shall be the aggregate principal amount of the Reference Obligation that is drawn and outstanding as at the date of determination according to the Owner's books and records.

The "**Reference Amount**" for any day is EUR 7,500,000,000 less the aggregate Reference Obligation Notional Amounts of all Reference Obligations that have become Worked Out Reference Obligations on or prior to such day.

"**Reporting Date**" means in respect of each Interest Payment Date, the Business day falling four business days prior to that Interest Payment Date.

6.4 Reference Collateral

The Reference Obligations may be secured by Reference Collateral. If Reference Collateral or any other security is given as security for more than one obligation (including a Defaulted Reference Obligation), recoveries in respect of such Reference Collateral or any other security shall be allocated *pro rata* among the obligations in respect of which Reference Collateral or any other security has been given determined by reference to the outstanding principal amount of the relevant obligations on the date on which the Credit Event occurred.

"Owner" means in respect of a Reference Obligation and at any time, a lender of record of such Reference Obligation at such time.

"Reference Collateral" means any pledge, mortgage, guarantee or any other security interest granted directly or indirectly to the Owner of the relevant Reference Obligation as security for the obligations of the relevant Reference Entity under such Reference Obligation provided that the Reference Collateral shall not include any of the aforementioned interests to the extent that it is held for the benefit of a person other than such Owner.

6.5 Reference Registry

The Swap Counterparty will maintain a registry (the **"Reference Registry"**) that will contain:

- (a) as to each Reference Entity, its:
 - (1) identification number;
 - (2) country code;
 - (3) the total exposure of the Swap Counterparty and the Local Rabobanks towards such Reference Entity; and
 - (4) Rabobank Risk Rating.
- (b) as to each Reference Obligation, its:
 - (1) identification number;
 - (2) product code;
 - (3) the Reference Obligation Notional Amount determined in respect of the Reference Obligation;
 - (4) whether there is any Reference Collateral in respect thereof;
 - (5) whether the Reference Collateral is mortgage related;
 - (6) its origination date; and
 - (7) its maturity date.

The Swap Counterparty shall update the information in the Reference Registry on a quarterly basis and shall deliver to each of the Rating Agencies, the Issuer and the Cash Administrator, on a quarterly basis, the information contained in the Reference Registry (other than the name of the Reference Entity).

"Rabobank Risk Rating" means, in respect of each Reference Entity, the internal rating assigned at any time to such Reference Entity by Rabobank Nederland, which is the result of the credit scoring as part of the regular credit monitoring process on each Reference Entity by Rabobank Nederland.

6.6 Portfolio Tranches

Tranches

For the purposes of determining the Issuer's rights and obligations under the Credit Default Swap, the following tranches of risk (each, a **"Tranche"**) have been designated with the following notional amounts (each such notional amount, an **"Initial Notional Amount"**):

<u>Tranche</u>	<u>Initial Notional Amount</u>
First Loss Tranche	EUR 48,750,000
Second Loss Tranche	EUR 120,000,000
Third Loss Tranche	EUR 75,000,000
Fourth Loss Tranche	EUR 123,750,000
Fifth Loss Tranche	EUR 7,132,500,000

6.7 Credit Events

The following events shall constitute Credit Events (the "**Credit Events**") under the Credit Default Swap: (a) Bankruptcy; (b) Failure to Pay; and (c) Restructuring, all as defined below.

- (a) "**Bankruptcy**" means that a Reference Entity is (1) dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it proceedings seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceedings or petition instituted or presented against it, such proceedings or petition (A) results in a judgement of insolvency or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; or (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction has an analogous effect to any of the events specified in clauses (1) to (7) inclusive.
- (b) "**Failure to Pay**" means (x) the failure by the relevant Reference Entity to make, when and where due any payments in an aggregate amount of not less than euro 1,000; and (y) such payment failure has been continuing for a period of 90 days or more, provided that (y) shall not apply if the circumstances described in (x) have occurred during the Reporting Period immediately preceding the Termination Date.
- (c) "**Restructuring**" means with respect to a Reference Obligation any one or more of the following events occurs, is agreed between the relevant Reference Entity and the holder of such Reference Obligation, and such event is not provided for under the terms of such Reference Obligation in effect at the latest of the Reporting Date (or, in the case of an Adjustment, the relevant Adjustment Date) and the date as of which such Reference Obligation is originated:

- (A) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals under the terms of such Reference Obligation, as such rate or amounts relate to such Reference Obligation;
- (B) a reduction in the principal amount payable under the terms of such Reference Obligation; or
- (C) a change in the ranking in priority of payment of any Reference Obligation causing the subordination of such Reference Obligation,

and provided that a senior credit officer of the Swap Counterparty has confirmed that the aforementioned actions were required to avoid Bankruptcy or Failure to Pay and to minimise expected losses.

Notwithstanding the provisions above, none of the following shall constitute a Restructuring:

- (D) the occurrence of, agreement to or announcement of any of the events described in paragraphs (A), (B) or (C) above, due to an administrative, accounting, tax or other technical adjustment occurring in the ordinary course of business; or
- (E) the occurrence of, agreement to or announcement of any of the events described in paragraphs (A), (B) or (C) above, in circumstances where such event does not directly or indirectly occur for the purposes of avoiding the occurrence of Bankruptcy or Failure to Pay.

"Defaulted Reference Obligation" means a Reference Obligation in respect of which a Credit Event Notice has been delivered.

6.8 Conditions to Settlement

No Cash Settlement Amounts will be payable on any Fixed Rate Payment Date, in respect of a Reference Entity or a Reference Obligation in relation to which a Credit Event has occurred, unless (a) the Swap Counterparty has delivered to the Issuer a Credit Event Notice within the Notice Delivery Period and describes a Credit Event that occurred on or after the Effective Date and on or prior to the Reporting Date immediately preceding the Termination Date, (b) in case of a Failure to Pay, the failure to make the relevant payment will have been continuing for a period of 90 days or more and (c) the amount of the Cash Settlement Amount has been determined on the Reporting Date immediately preceding such Fixed Rate Payer Payment Date (the **"Conditions to Settlement"**).

A Reference Portfolio Quarterly Report which specifies that a Credit Event has occurred with respect to one or more Reference Entities shall constitute a Credit Event Notice with respect to such Reference Entities.

"Credit Event Notice" means an irrevocable notice in writing from the Swap Counterparty to the Issuer that describes a Credit Event that occurred on or after the Effective Date and on or prior to the Reporting Date immediately preceding the Termination Date.

"Notice Delivery Period" means the period commencing on, and including, the Effective Date and ending on the Reporting Date immediately preceding the Termination Date.

6.9 Verification

If the aggregate amount of Reference Obligation Notional Amounts of the Reference Obligations in respect of which a Credit Event Notice has been given exceeds the sum of (x) the Adjusted Notional Amount of the First Loss Tranche and (y) the Reserve Account Balance at the time of determination, the Independent Accountants will be required to verify that, to the extent that such matters can be objectively verified and on the basis of information supplied by the Swap Counterparty or otherwise, that the appropriate procedures and methodology were employed in respect of all Reference Obligations in respect of which a Credit Event Notice has been given up to such date whether (i) a Credit Event has occurred in respect of the relevant Reference Obligations, (ii) the Conditions to Settlement have been met with respect to a Credit Event in relation to such Reference Obligations and (iii) whether such Reference Obligation met the Eligibility Criteria at the time it was included in the Reference Portfolio.

"Independent Accountants" means either: (a) any of KPMG, PricewaterhouseCoopers, Ernst & Young and Deloitte & Touche (and, in each case, including a successor thereof); or (b) a firm of independent accountants or any other firm of independent appraisers, in each case as may be selected by the Issuer from time to time, and in the case of (b) as approved by the Trustee, acting reasonably.

6.10 Determination of Loss Amounts

On each Reporting Date, the Calculation Agent shall report the Loss Amount in respect of each Reference Obligation that became, during the immediately preceding Reporting Period, either a Worked Out Reference Obligation or an Estimated Reference Obligation.

"Reporting Period" means each period from and including a Reporting Date to but excluding the next following Reporting Date, save that the first Reporting Period shall begin on the Effective Date and end on the Reporting Date falling in March 2008, and the final Reporting Date shall end immediately before the final Fixed Rate Payer Payment Date.

"Cost of Carry" means in respect of each amount received by the relevant Local Rabobank under item (a)(i) or determined pursuant to item (a)(ii) of the Recoveries is an amount equal to the notional amount of interest that would accrue on such amount, compounded quarterly at a rate of interest equal to 3 month EURIBOR during the period from and including the relevant Credit Event Date to, but excluding, the date of such receipt or determination (as applicable) and calculated in accordance with the Modified Business Day Convention, with a maximum of 6 per cent. per annum.

"Estimated Future Recoveries" means with respect to the outstanding debts of the relevant Reference Entity with the relevant Owner, the best estimate of further Recoveries (and therefore excluding any actual Recoveries) estimated after the relevant Reporting Date pursuant to the Appraisal Guidelines by the Calculation Agent. However, if the aggregate amount of Reference Obligation Notional Amounts of the Estimated Reference Obligations exceeds the sum of (x) the Adjusted Notional Amount of the First Loss Tranche and (y) the Reserve Account Balance at the time of determination, the amount of Estimated Future Recoveries in respect of any Estimated Reference Obligation whose Reference Obligation Notional Amount exceeds such sum shall be determined by the Calculation Agent and be verified, to the extent such matters can be objectively verified and on the basis of information supplied by the Swap Counterparty or otherwise, by an independent appraiser appointed by the Trustee (the **"Independent Appraiser"** and together with the Calculation Agent in its capacity as appraiser

in respect of Estimated Future Recoveries, the "**Appraisers**") in order to determine whether the appropriate procedures and methodology were employed.

"**Estimated Reference Obligation**" means a Defaulted Reference Obligation that does not become a Worked Out Reference Obligation by the end of the Initial Recovery Period.

The "**Initial Recovery Period**" shall be a period from the Credit Event Date to the date that is 24 months following the date on which a Credit Event Notice was given with respect to the Defaulted Reference Obligation.

The "**Loss Amount**" means an amount equal to the product of (a) 1 - Recoveries in respect of such Reference Obligation and (b) the Reference Obligation Notional Amount of such Reference Obligations as at the date on which the Conditions to Settlement are satisfied.

"**Modified Business Day Convention**" has the meaning given to it in the Credit Default Swap.

"**Recoveries**" means the ratio (expressed as the decimal equivalent of a percentage) of:

- (a) the sum of: (i) the aggregate, in respect of the Initial Recovery Period, of the principal amounts paid by or on behalf of the Reference Entity (including accrued interest amounts paid after the occurrence of the Credit Event) and/or of any net sale proceeds in relation to any outstanding debt of the Reference Entity with the Owner, in each case collected by the Owner, applying Rabobank's Collection and Recoveries Procedures, plus (ii) where Rabobank's Collections and Recoveries Procedures have not been completed within the Initial Recovery Period, the amount (if any) of the Estimated Future Recoveries, less (iii) the aggregate of the Cost of Carry in respect of all amounts received or determined in accordance with (i) and (ii) above, and (iv) less external costs and expenses incurred in connection with (i) or (ii) above; to
- (b) the aggregate of all outstanding debt of the Reference Entity with the Owner at the relevant Credit Event Date,

and provided that if such ratio exceeds 1, then it shall be deemed to be 1.

For the purpose of calculating Recoveries, it shall be assumed that, to the extent that a Reference Obligation is stated in the Reference Registry to be supported by Reference Collateral, the Owner shall be entitled to share in the Reference Collateral and/or the proceeds thereof.

"**Worked Out Reference Obligation**" means a Defaulted Reference Obligation in respect of which either: (a) the Calculation Agent determines that all Recoveries anticipated in respect of the Reference Obligation have been received by the Owner of such Reference Obligation; or (b) the Owner has sold, transferred or assigned all of its interest in such Reference Obligation to an independent third party at a fair market price.

6.11 Appraisal Guidelines

The following appraisal guidelines (the "**Appraisal Guidelines**") shall apply in connection with the calculation of the Estimated Future Recoveries of a Defaulted Reference Obligation.

General

The Appraiser will make the assumptions, and take account of the factors set out below, in determining the Estimated Future Recoveries in respect of the relevant Reference Obligation:

Methodology

The Estimated Future Recoveries of a Reference Obligation shall be calculated on a case-by-case basis and will represent the fair value of such Reference Obligation (i.e. the potential recoverable amount in respect of such Reference Obligation). The Appraiser shall use generally accepted industry methods to estimate the Estimated Future Recoveries of the Reference Obligation and shall perform the procedures that it considers appropriate in the particular circumstances. Those procedures may include (without being limited to) one or several of the following:

- (a) the calculation of the net present value of future cash-flows related to the Reference Obligation after taking into account the fact that such Reference Obligation has become a Defaulted Reference Obligation;
- (b) the appraisal of a liquidation value of the net assets of the Reference Obligation; and
- (c) the use of statistical determined loss given default (LGD) related to the Reference Obligation

The fair value of the Reference Obligation may be different from the accounting provision that a bank or other holder of such Reference Obligation may have or has made.

Assumptions

In determining the Estimated Future Recoveries of each Reference Obligation, the Appraiser will make the following assumptions:

- (a) all obligations of the Reference Entity under the Reference Obligation, together with the obligations of any provider of Reference Collateral in relation to such Reference Obligation, are on the Effective Date or the date the Reference Obligation is designated by the Swap Counterparty as forming part of the Reference Portfolio as the case may be, legal, valid, binding and enforceable in accordance with their terms subject to principles of law and equity including all limitations resulting from the laws of bankruptcy, insolvency, liquidation or other laws affecting generally the enforcement of creditors' rights;
- (b) all reasonable efforts will be made to maximise the value of the claims including without limitation by pursuing any rights against a guarantor and other Reference Collateral providers in accordance with Rabobank Nederland's and/or Local Rabobank's normal business practices from time to time;
- (c) any Reference Collateral would, if sold, be sold at fair value, assuming a willing seller and a willing buyer and a reasonable period for the proper marketing of the collateral; and
- (d) if any amounts are recovered from a Reference Entity a guarantor or other provider of Reference Collateral in respect of a Reference Obligation, which amounts also relate to other obligations owed by the Reference Entity to Rabobank Nederland or a Local

Rabobank which are not Reference Obligations, those amounts will be allocated pro-rata towards satisfaction of all such amounts owed to each of them.

Factors to be considered

The Appraiser will, on the basis of all privately available information (including the identity of each Reference Entity and any information that the Swap Counterparty may, whether by virtue of their relationship with the relevant Reference Entity, at the date thereof or at any time thereafter, be in possession of that is or may be material in the context of the appraisal) provided by the Swap Counterparty to the Appraiser and public information relating to the relevant Reference Entity, determine the Estimated Future Recoveries of each Reference Obligation, by taking into account (without limitation):

- (a) the existence of creditors whose claims are senior in point of priority to the claims in respect of the Reference Obligation, such as claims of preferential and/or secured creditors;
- (b) the general unsecured claims against the relevant Reference Entity;
- (c) the economic situation of the industry of the Reference Entity and of other participants in the same market as the Reference Entity; and
- (d) the likelihood of whether or not the Reference Entity will be sold as a going concern.

6.12 Credit Protection Amounts

The protection amount pursuant to the Credit Default Swap (the "**Credit Protection Amount**") as reported on any Reporting Date shall be equal to the Loss Amount.

6.13 Cash Settlement Amount

On each Cash Settlement Date, the Issuer shall pay to the Swap Counterparty an amount (the "**Cash Settlement Amount**") equal to the total amount of the Credit Protection Amounts determined on the Reporting Date immediately preceding the Cash Settlement Date, provided that if the Cumulative Loss Amount is greater than the Swap Notional Amount, the Cash Settlement Amount shall be zero in respect of any amount in excess of the Swap Notional Amount.

"**Cash Settlement Date**" means in respect of any Cash Settlement Amount, the Interest Payment Date on which the Cash Settlement Amount has been determined.

"**Cumulative Loss Amount**" means, with respect to a Reporting Date, the sum of:

- (a) the aggregate of all Loss Amounts determined on such Reporting Date; and
- (b) the aggregate of all Loss Amounts determined prior to such Reporting Date.

"**Swap Notional Amount**" means the aggregate amount of the Initial Notional Amount of each Tranche.

6.14 Adjustment

On any business day during the period from and including the Effective Date to and including the Termination Date (an "**Adjustment Date**"), the Swap Counterparty may as a result of:

- (a) a repayment or prepayment of a Reference Obligation in whole or in part;
- (b) there being Ineligible Reference Obligations;
- (c) a reduction in the Reference Obligation Amount of a Notional Reference Obligation;
- (d) there being Non-Conforming Reference Obligations; or
- (e) a removal of one or more Reference Obligations included in the Reference Portfolio,

adjust the Reference Portfolio, subject to compliance with the Adjustment Conditions (each such adjustment, an "**Adjustment**"), to the extent of, in respect of:

- (a) the Amortisation Amounts of all such repaid and prepaid Reference Obligations;
- (b) the aggregate Reference Obligation Notional Amount of such Ineligible Reference Obligations;
- (c) the amount of the reduction of the Reference Obligation Notional Amount of such Reference Obligation;
- (d) the Reference Obligation Notional Amount of such Non-Conforming Reference Obligation but only to the extent of the amount associated with the non-compliance, contravention or worsening of contravention; and
- (e) the Reference Obligation Notional Amounts of such removed Reference Obligations (such amounts together, the "**Available Adjustment Amount**"),

by:

- (a) increasing the Reference Obligation Notional Amount of any Reference Obligation (but never in excess of the Reference Obligation Aggregate Outstanding Amount);
- (b) adding any other obligation or obligations of any existing Reference Entity to the Reference Portfolio; or
- (c) adding one or more obligations of a new entity to the Reference Portfolio,

provided that following such Adjustment the Portfolio Notional Amount does not exceed the Reference Amount.

The Swap Counterparty is not obliged to effect an Adjustment and any Available Adjustment Amount that has not been used by an Adjustment on any Adjustment Date shall constitute an unused portion and shall remain available for a future Adjustment.

"Amortisation Amount" means, in respect of any Reference Obligation, the amount repaid or prepaid in respect of such Reference Obligation by or on behalf of the Reference Entity.

"Ineligible Reference Obligation" means in respect of the period from and including the Portfolio Composition Date to but excluding the Effective Date, any Reference Obligation in respect of which a Credit Event has occurred.

"Non-Conforming Reference Obligation" means a Reference Obligation that did at the time of inclusion not comply with the Eligibility Criteria or which causes on an Adjustment

Date any contravention (or worsening of any existing contravention) of the Adjustment Conditions.

"Portfolio Notional Amount" means on any date of determination:

- (a) the aggregate of the Reference Obligation Notional Amounts of all Reference Obligations comprising the Reference Portfolio on such date; minus
- (b) the aggregate of the Reference Obligation Notional Amounts of all Reference Obligations that have become Defaulted Reference Obligations on or prior to such date.

6.15 Reserve Account

The Issuer shall maintain the Reserve Account. On the Effective Date and each Fixed Rate Payer Payment Date (excluding the last Fixed Rate Payer Payment Date), the Calculation Agent shall calculate the Reserve Account Funding Amount and the Required Reserve Amount in respect of such date (the amount standing to the credit of the Reserve Account at any time being the **"Reserve Account Balance"**).

The **"Required Reserve Amount"** means in respect of any date of calculation the higher of EUR 15,000,000 and the aggregate of the Reference Obligation Notional Amounts of Reference Obligations in the Reference Portfolio up to such date in respect of which a Credit Event has occurred.

The **"Reserve Account Funding Amount"** means in respect of any date of calculation the product of:

- (a) the Reference Amount;
- (b) 0.80 per cent. per annum; and
- (c) the actual number of days in the period beginning on (and including) such date of calculation and ending on (but excluding) the following Fixed Rate Payer Payment Date, divided by 360.

6.16 Allocation Procedures

The following allocation procedures (the **"Allocation Procedures"**) apply in respect of the Tranches. If on any Reporting Date a Credit Protection Amount is determined, the Calculation Agent is required to allocate the Credit Protection Amount in excess of the Reserve Account Balance applied in connection with such Credit Protection Amount (the **"CPA Tranche Allocation Amount"**) as follows:

- (c) first, to the First Loss Tranche until the Adjusted Notional Amount of the First Loss Tranche has been reduced to zero;
- (d) second, to the Second Loss Tranche until the Adjusted Notional Amount of the Second Loss Tranche has been reduced to zero;
- (e) third, to the Third Loss Tranche until the Adjusted Notional Amount of the Third Loss Tranche has been reduced to zero;
- (f) fourth, to the Fourth Loss Tranche until the Adjusted Notional Amount of the Fourth Loss Tranche has been reduced to zero; and

- (g) fifth, to the Fifth Loss Tranche until the Adjusted Notional Amount of the Fifth Loss Tranche has been reduced to zero.

On the Termination Date and on each Fixed Rate Payer Payment Date thereafter, the Aggregate Adjusted Notional Amount shall be reduced by an amount equal to (x) the Aggregate Adjusted Notional Amount immediately prior to such Fixed Rate Payment Date less (y) the Maximum Noteholder Contribution Liability on such Fixed Rate Payer Payment Date (the "**Reduction Amount**").

The Reduction Amount shall be allocated to each of the Tranches as follows:

- (a) first, to the Fifth Loss Tranche until the Adjusted Notional Amount of the Fifth Loss Tranche is reduced to zero;
- (b) second, to the Fourth Loss Tranche until the Adjusted Notional Amount of the fourth Loss Tranche is reduced to zero;
- (c) third, to the Third Loss Tranche until the Adjusted Nominal Amount of the Third Loss Tranche is reduced to zero;
- (d) fourth, to the Second Loss Tranche until the Adjusted Nominal Amount of the Second Loss Tranche is reduced to zero; and
- (e) fifth, to the First Loss Tranche until the Adjusted Nominal Amount of the First Loss Tranche is reduced to zero.

"**Adjusted Notional Amount**" on any date, means in respect of each Tranche an amount equal to (a) the Initial Notional Amount of such Tranche, minus (b) any CPA Tranche Allocation Amounts allocated to such Tranche in accordance with the Allocation Procedures minus (c) any Reduction Amounts allocated to such Tranche prior to such date.

"**Aggregate Adjusted Notional Amounts**" on any date, means the aggregate of all Adjusted Notional Amounts at such time.

6.17 Additional Floating Amount

On each Fixed Rate Payer Payment Date, the Issuer shall pay in accordance with the applicable Issuer Priority of Payments an amount equal to the Additional Floating Amount to the Swap Counterparty.

"**Additional Floating Amount**" means (a) prior to the delivery of an Enforcement Notice, an amount equal to the sum of (i) the balance of the Available Income Funds after application of such funds towards items (1) to (7) (inclusive of the Available Income Funds Priority of Payments and (ii) the balance of the Available Redemption Funds after application of such funds towards items (1) to (7) (inclusive) of the Available Redemption Funds Priority of Payments, and (b) after delivery of an Enforcement Notice, the balance of the Post-Enforcement Funds after application of such funds towards items (1) to 10 (inclusive) of the Post-Enforcement Priority of Payments.

6.18 Fixed Rate Payer Payments

The Swap Counterparty shall pay the Fixed Amounts on the Effective Date and, thereafter, in arrear on each Interest Payment Date until (and including) the Final Redemption Date. The Fixed Amounts shall be calculated in respect of each Reporting Period.

The "**Fixed Amounts**" payable under the Credit Default Swap are in respect of:

- (1) the Effective Date, an amount equal to the Covered Expense as of such date; and
- (2) each Fixed Rate Payer Payment Date:
 - (a) provided that no Rating Downgrade Trigger Event has occurred and is continuing, an amount equal to:
 - (i) the sum of:
 - (A) the aggregate Interest Amount calculated in relation to all Classes of the Notes payable on such Fixed Rate Payer Payment Date by the Issuer to the Noteholders (to the extent not already paid);
 - (B) an amount equal to the sum of each Covered Expense as of such Fixed Rate Payer Payment Date; and
 - (C) an amount equal to the Reserve Account Funding Amount on such Fixed Rate Payer Payment Date; less
 - (ii) the sum of:
 - (A) the amount determined by the Calculation Agent, after consultation with the Cash Administrator, to be the interest received by the Issuer as Issuer CD Income in respect of the Interest Period ending on such Fixed Rate Payer Payment Date; and
 - (B) the amount determined by the Calculation Agent, after consultation with the Cash Administrator, to be the available credit balance on the Issuer Account as of the Fixed Rate Payer Payment Date; and
 - (b) if a Rating Downgrade Event has occurred and is continuing (but not the first Fixed Rate Payer Payment Date following the occurrence of the Rating Downgrade Event), an amount equal to:
 - (i) the sum of:
 - (A) the aggregate Interest Amount determined by the Calculation Agent, after consultation with the Agent Bank, to be due in respect of all Classes of the Notes on the next following Fixed Rate Payer Payment Date immediately following such Fixed Rate Payer Payment Date by the Issuer to the Noteholders (to the extent not already paid);
 - (B) an amount equal to the sum of each Covered Expense as of such Fixed Rate Payer Payment Date; and
 - (C) an amount equal to the Reserve Account Funding Amount on such Fixed Rate Payer Payment Date and all subsequent Fixed Rate Payer Payment Dates until and including the Scheduled Termination Date (to the extent not already paid); less
 - (ii) the sum of:

- (A) the amount determined by the Cash Administrator, to be the interest received by the Issuer as Issuer CD Income in respect of the Interest Period ending on such Fixed Rate Payer Payment Date; and
- (B) the amount determined by the Calculation Agent, after consultation with the Cash Administrator, to be the available credit balance on the Issuer Account as of the Fixed Rate Payer Payment Date; and
- (3) the first Fixed Rate Payer Payment Date following the occurrence of a Rating Downgrade Event where the Rating Downgrade Event is continuing, the aggregate of the amounts payable under paragraphs (2) (a) and (b)(i)(A),

provided that the Fixed Amount shall not be less than zero.

A "**Rating Downgrade Event**" occurs if the Swap Counterparty's short-term unsecured and unguaranteed debt rating falls below A-1 by S&P, P-1 by Moody's or F1 by Fitch, or its long-term unsecured debt rating falls below A+ by S&P, A1 by Moody's and A by Fitch

"**Covered Expenses**" means the Budgeted Operating Expenses and the Exceptional Expenses of which the Calculation Agent and the Swap Counterparty, after consultation with the Cash Administrator, are informed, as of the fourth business day preceding the Fixed Rate Payer Payment Date (on the Effective Date, as the case may be), that are due or are anticipated by the Cash Administrator to fall due to be paid by the Issuer on such Fixed Rate Payer Payment Date (on the Effective Date, as the case may be) or prior to the next succeeding Fixed Rate Payer Payment Date (on the Effective Date, as the case may be) or have become due and payable and were not previously funded.

"**Fixed Rate Payer Payment Date**" means each Interest Payment Date and ending on the Final Redemption Date.

6.19 Servicing

The administration, collection and enforcement of each Reference Obligation owned by a Rabobank Entity, including the enforcement of any related Reference Collateral, shall be carried out in accordance with the servicing principles (the "**Servicing Principles**") as described below.

The administration, collection and enforcement of each Reference Obligation, including the enforcement of any security granted in respect thereof, shall be carried out by a Rabobank Entity (in its capacity as a "**Rabobank Servicer**" on behalf of the relevant Owner).

Standard of Rabobank Servicer

To the extent that the Rabobank Servicer is or becomes responsible for servicing a Reference Obligation, the Rabobank Servicer shall, acting as a Prudent Lender:

- (a) service each Reference Obligation in accordance with Rabobank's Credit and Collection Policy;
- (b) collect each Reference Obligation that becomes a Defaulted Reference Obligation and enforce any Reference Collateral in a manner that complies in all material respects with the Recovery Standards; and
- (c) perform the duties in (a) and (b) above with no less care than the Rabobank Servicer exercises or would exercise in connection with the servicing of assets similar to the Reference Obligations held for its own account.

Discretion of Rabobank Servicer

The Rabobank Servicer may, at any time agree to the release by the relevant Owner of any Reference Collateral if either (a) in its professional judgement, it concludes that it is required to do so by applicable or contractual arrangements or (b) does so in the ordinary course of its business and in accordance with its then prevailing credit and collection policies. Subject to applicable law, each Rabobank Servicer, may, on behalf of the relevant Owner, agree on payment rescheduling or debt restructuring with a Reference Entity in accordance with Rabobank's Credit and Collection Policy and the Servicing Principles. Such restructuring shall be granted, in the interest of the Owner, to mitigate a deterioration of the credit quality of the relevant Reference Entity or to minimise any potential loss in respect of the relevant Reference Obligation. In all cases where the relevant Rabobank Servicer may forgo the repayment of a portion of the relevant Reference Obligation the Rabobank Servicer shall adequately safeguard the interests of the Issuer at all times and shall not place such interests in a less favourable position than the interests of the relevant Owner, its own interests or the interests of any other Rabobank Servicer in relation to their respective other claims against the same Reference Entity. If no payment rescheduling or debt restructuring agreement is entered into, the relevant Rabobank Servicer shall usually commence enforcement, on behalf of the relevant Owner, against the Reference Entity for the Reference Obligation, and/or foreclose on the related Reference Collateral, unless the relevant Rabobank Servicer concludes, in its professional judgement, that such enforcement or foreclosure would not be justified in view of the expected proceeds thereof.

Recovery Standards applicable to the servicing of the Reference Obligations by the Rabobank Servicer

With respect to any Reference Collateral securing a Defaulted Reference Obligation, the Swap Counterparty shall apply or procure the application of the proceeds thereof towards discharge of the Defaulted Reference Obligation.

For the purposes of determining the Loss Amounts for each Reporting Period in respect of any Defaulted Reference Obligation(s) that benefit from Reference Collateral, any realised proceeds of Reference Collateral shall be allocated (pro rata) to reduce the relevant Reference Obligation Notional Amount.

Reference Collateral may secure the Reference Obligation and any other payment claim against the Reference Entity of such Reference Obligation. Any proceeds from any Reference Collateral and any rights of set-off available to the Owner at the relevant time shall also be allocated between the Reference Obligation and such other claims.

Amendments of the Collection and Recoveries Procedures

The Rabobank Servicer may amend or supplement Rabobank's Collection and Recoveries Procedures at its sole discretion from time to time, provided that: (a) if any such amendment or supplement is inconsistent with Rabobank's Collection and Recoveries Procedures, it shall not be applied with respect to the Reference Portfolio; (b) if such amendment or supplement may, in the professional judgement of a Prudent Lender, adversely affect the determination of the Loss Amounts from the perspective of the Issuer, it shall not be applied to the Reference Obligations, unless in the case of each of (a) or (b) otherwise required by mandatory provisions of law; and (c) to the extent such amendment or supplement, in the professional judgement of the Rabobank

Servicer, affects or may affect the interests of the Issuer, the Rating Agencies receive notice thereof from the Swap Counterparty.

"Affiliate" means any person who, directly or indirectly, controls, or is controlled by or in under common control of another person.

"Prudent Lender" means, at any time, a major financial institution carrying on a commercial lending business in The Netherlands: (a) which is a prudent lender; (b) which applies standards which are no less prudent than those of Rabobank Nederland or Local Rabobanks at such time; and (c) whose primary commercial lending business is limited to borrowers which other financial institutions carrying on a commercial lending business in The Netherlands would not commonly decline to lend due to the application of their standard credit criteria.

"Rabobank's Credit and Collection Policy" means the credit and collection policy of a Rabobank Servicer.

"Rabobank Entity" means any branch, subsidiary or Affiliate of Rabobank Nederland or a Local Rabobank.

The Issuer will not have any rights or powers to compel the Swap Counterparty to take or refrain from taking any specific action in relation to the Reference Obligations. Subject to the condition that all Reference Obligations, to the extent that they are owned by the Swap Counterparty or any of the Local Rabobanks, must be administered and enforced in accordance with Rabobank's Credit and Collection Policy, the Swap Counterparty or the Local Rabobanks may exercise or refrain from exercising or enforcing all or any of its rights and powers and/or grant amendments and waivers in relation to Reference Obligations without regard to the Credit Default Swap.

6.20 Termination of the Credit Default Swap

The Issuer provides credit protection only with respect to Reference Obligations that become Outstanding Defaulted Reference Obligations on or after the Effective Date and on or before the Termination Date.

The term of the Credit Default Swap terminates on (i) the Reporting Date falling in July 2009 (the **"Scheduled Termination Date"**) or, if earlier, (ii) the occurrence of another Termination Date.

An **"Early Termination Date"** may be designated by either the Issuer or the Swap Counterparty upon the occurrence, with respect to the other party, of certain events including payments defaults (of five business days or more), certain bankruptcy-related events, merger by another party without assumption by the new entity of the liabilities of the old entity under the Credit Default Swap and the contractual performance of such other party's obligations becoming illegal (as more fully described in the Credit Default Swap).

"Redemption Date" means the date on which, pursuant to Condition 5 (*Redemption*), the Notes due to be redeemed in full (including as a result of a Tax Redemption Event).

Termination Date means the earlier to occur of:

- (a) the Enforcement Date;
- (b) the Redemption Date;

- (c) the Scheduled Termination Date;
- (d) an Early Termination Date;
- (e) the date on which the Adjusted Notional Amount of each Tranche is reduced to zero;
- (f) a Cash Deposit Termination Event;
- (g) a Tax Swap Termination Event; and
- (h) an Optional Termination Date.

6.21 Optional Termination by the Swap Counterparty

The Swap Counterparty shall have the right to terminate the Transaction pursuant to the Regulatory Change Option and the Clean-up Option as further described below (the "**Optional Termination Right**"):

- (a) the Swap Counterparty shall have the right, upon at least 10 and no more than 30 business days' prior written notice to the Issuer to terminate the Transaction on any Fixed Rate Payer Payment Date, in whole and not in part, upon the occurrence of a Regulatory Change (the "**Regulatory Change Option**"); and
- (b) the Swap Counterparty shall have the right, on any Fixed Rate Payer Payment Date upon at least 10 and no more than 30 business days' prior written notice to the Issuer, to terminate the Transaction in whole and not in part if at any time the then current Reference Amount falls below 10 per cent. of the Reference Amount as at the Effective Date (the "**Clean-up Option**").

The date designated for termination pursuant to the exercise of such right described in (a) and (b) shall be the "**Optional Termination Date**".

"**Regulatory Change**" means any enactment of or supplement or amendment to, or change in any applicable laws or regulations; or an official communication of previously not existing or not publicly available official interpretation of such laws and regulations, or a change in the official interpretation, implementation or application of such laws and regulations, which was unforeseen on the Effective Date and becomes effective on or after the Effective Date, and the result of which is (x) to adversely affect the rate of return on capital of the Swap Counterparty or increase the cost or reduce the benefit to the Swap Counterparty, in each case, with respect to the Credit Default Swap and/or (y) to reduce the regulatory capital relief provided by the Transaction in respect of the underlying assets in such way that, in the opinion of the Swap Counterparty, the Credit Default Swap is no longer efficient for managing its regulatory capital.

6.22 Tax Provisions

If any Cash Settlement Amount or other payment obligation of the Issuer under the Credit Default Swap is subject to, or becomes subject to, any deduction or withholding for or on account of any Tax, the Issuer will not be obliged to and will not gross up the relevant Cash Settlement Amount or other amount, and the Swap Counterparty will receive such amount less the amount of any such deduction or withholding. The Swap Counterparty may, however, in such circumstances elect to terminate the Credit Default Swap.

With respect to the Swap Counterparty, the tax provisions of the Credit Default Swap are as follows:

If, due to (x) any action taken by a taxing authority, or brought in a court of competent jurisdiction, on or after the Closing Date (regardless of whether such action is taken or brought with respect to a party to the Credit Default Swap) or (y) a Change in Tax Law (as defined in the Credit Default Swap), the Swap Counterparty determines that there will or there is a substantial likelihood that on the next succeeding Interest Payment Date one of the following circumstances will exist:

- (a) the Swap Counterparty will be required to pay to the Issuer any additional amounts; or
- (b) the Swap Counterparty will be obliged to receive any Cash Settlement Amounts which may be payable to it subject to the deduction of any amount required to be deducted or withheld for or on account of any Tax.

then, provided that (i) the Swap Counterparty has provided to the Issuer and the Trustee an opinion, in form and substance satisfactory to the Trustee, of independent legal advisors of recognised standing confirming the occurrence or anticipated occurrence of any of the events described in (a) or (b) above within 90 days of the date of such opinion and (ii) the Swap Counterparty determines, after consultation with the Issuer and the Trustee, that such Tax cannot be avoided by the Swap Counterparty or the Issuer taking reasonable measures available to it, the Swap Counterparty may, by giving not less than 30 nor more than 45 days notice to the Issuer, elect to terminate the Credit Default Swap with effect as of such Interest Payment Date (a "**Tax Swap Termination Event**") and pursuant to such election the Termination Date of the Credit Default Swap will be such Interest Payment Date. The Trustee shall be entitled to accept such opinion (or other evidence in lieu thereof) as sufficient evidence of the existence of a Tax Swap Termination Event, in which event it shall be conclusive and binding on the Noteholders, the Swap Counterparty and the Issuer.

"**Tax**" has the meaning ascribed thereto in the Credit Default Swap.

6.23 Payments on Termination of the Credit Default Swap

Upon the termination of the Credit Default Swap, the provisions of Section 6(d) and 6(e) of the ISDA Master Agreement referred to above shall not apply. In the event of an early termination of the Credit Default Swap, the Swap Counterparty will nevertheless be obliged to pay to the Issuer the Fixed Amounts until the Final Redemption Date. The Issuer will be obliged to pay to the Swap Counterparty all Cash Settlement Amounts then due or that become due in respect of Reference Obligations that were Outstanding Defaulted Reference Obligations as at the Early Termination Date and subsequently became Worked Out Reference Obligations. If the Swap Counterparty has, at any time on or after the Termination Date, elected to abandon its potential claim against the Issuer in respect of the Outstanding Defaulted Reference Obligations, the Cash Settlement Amounts in respect of such Outstanding Defaulted Reference Obligations shall be deemed to be zero. No additional termination or breakage fees will be payable by either the Issuer or the Swap Counterparty.

"**Outstanding Defaulted Reference Obligation**" means a Defaulted Reference Obligation that has not become a Worked Out Reference Obligation by the Termination Date.

6.24 Provision of Certain Information

On each Reporting Date, the Calculation Agent will provide a quarterly report to the Issuer, the Swap Counterparty and the Cash Administrator (the "**Reference Portfolio Quarterly Report**") in respect of the Reporting Period immediately preceding such Reporting Date:

- (a) showing details (by reference to the Reference Obligation identification number, and Reference Entity identification number) of the Reference Obligation Notional Amount and the Credit Protection Amount, if applicable, in respect of each Reference Obligation that became a Defaulted Reference Obligation, an Ineligible Reference Obligation, a Non-Conforming Reference Obligation, an Estimated Reference Obligation or a Worked Out Reference Obligation, and the total exposure of the Swap Counterparty and the Local Rabobanks towards such Reference Entity during the relevant Reporting Period;
- (b) showing details (by reference to the Reference Obligation identification number and Reference Entity identification number) of Loss Amounts;
- (c) showing details of any amount allocated to any Tranche in respect of the immediately preceding Reporting Period;
- (d) showing details of the Cash Settlement Amount, if any, paid by the Issuer on the immediately preceding Fixed Rate Payer Payment Date;
- (e) showing details of any Reference Obligation (by reference to the Reference Obligation identification number and Reference Entity identification number) that has been shown to be an Ineligible Reference Obligation during such Reporting Period;
- (f) including revised tables showing updated details in respect of the Reference Portfolio as at the end of the immediately preceding Reporting Date;
- (g) confirming that the Adjustments made during the immediately preceding Reporting Period comply with the Adjustments Conditions;
- (h) showing details of the aggregate of the Reserve Account Balance allocated in respect of Defaulted Reference Obligations;
- (i) showing details of the amount to be credited to the Reserve Account on the next Fixed Rate Payer Payment Date;
- (j) specifying:
 - (i) the Required Reserve Amount;
 - (ii) the Loss Amounts, if any;
 - (iii) the Credit Protection Amount, if any;
 - (iv) the Available Adjustment Amounts, if any;
 - (v) the CPA Allocation Amount, if any; and
 - (vi) the Cash Settlement Amount; and
- (k) specifying any Reference Obligation (by reference to the Reference Obligation identification number, Reference Entity identification number) in respect of which the Reference Portfolio Quarterly Report shall constitute a Credit Event Notice.

The Cash Administrator shall provide a copy of the Quarterly Report to the Rating Agencies pursuant to the Cash Administration Agreement.

6.25 Reference Portfolio Annual Report

The Calculation Agent will, in addition, submit an annual report (the "**Reference Portfolio Annual Report**") on the Reference Portfolio to the Issuer and the Cash Administrator in each year, starting on the Reporting Date falling in December 2008 in which the Swap Counterparty will be required to:

- (a) confirm that it has updated, with effect from the date that is no later than the date of the Reference Portfolio Annual Report, the Reference Registry to take account of all changes that have occurred with respect to each Reference Entity and Reference Obligation since the previous Reference Portfolio Annual Report or, in the case of the first Reference Portfolio Annual Report, the Portfolio Composition Date; and
- (b) show details of any verifications conducted by the Independent Accountants during the preceding year.

The Cash Administrator shall provide a copy of the Reference Portfolio Annual Report to the Rating Agencies pursuant to the Cash Administration Agreement.

6.26 Governing Law

The Credit Default Swap will be governed by, and shall be construed in accordance with, the laws of England. Each of the Issuer and the Swap Counterparty will submit to the jurisdiction of the English courts in connection with the Credit Default Swap. The Issuer will appoint Citco Management (UK) Limited of 7 Albemarle Street, London W1S 4HQ, United Kingdom and the Swap Counterparty will appoint Rabobank International, London Branch at Thames Court, One Queenhithe, London EC4V 3RL, United Kingdom, in each case to accept service of process on its behalf.

7. CASH ADMINISTRATION

The following is a summary of certain provisions of some of the principal documents relating to the transactions described herein and is qualified in its entirety by reference to the detailed provisions of the Cash Deposit Agreement and the Cash Administration Agreement.

7.1 Cash Deposit

On the Closing Date, the Issuer will utilise the proceeds of the issue of the Notes to make the Cash Deposit with the Cash Deposit Bank pursuant to the Cash Deposit Agreement. In the event that the Cash Deposit Bank ceases to have the Cash Deposit Bank Required Rating on the CD Replacement Date, the Swap Counterparty will replace the Cash Deposit Bank (subject to Rating Agency Confirmation), with a successor Cash Deposit Bank which has the Cash Deposit Bank Required Rating.

7.2 The Cash Deposit Agreement

The Cash Deposit will be subject to the Cash Deposit Agreement to be dated on or around the Signing Date and made between the Issuer, the Trustee, the Cash Administrator and the Cash Deposit Bank. The Cash Deposit Agreement provides for periodic income payments to be made to or to the order of the Issuer on each Interest Payment Date at a rate of three-month EURIBOR and calculated on the basis of the Day Count Fraction. Such income comprises a portion of the Available Income Funds of the Issuer to be utilised (in accordance with the Available Income Funds Priority of Payments) by the Issuer on each Interest Payment Date.

The Cash Deposit Agreement provides among other things that, in the event that a Credit Protection Amount is owing by the Issuer under the Credit Default Swap, an amount equal to the CPA Tranche Allocation Amount shall be released from the Cash Deposit by the Cash Deposit Bank and such amount will be paid to or to the order of the Issuer in order to satisfy such payment. The Cash Deposit Agreement and the Security Documents provide for the Security to be released in relation to any such release of funds from the Cash Deposit.

Unless previously terminated, the Cash Deposit Agreement will expire on the Final Redemption Date). The Cash Administrator may serve a notice of termination to the Cash Deposit Bank (with a copy to the Trustee and the Issuer) and effect an early termination of the Cash Deposit Agreement if there is a material default, payment default, or imposition of tax which would adversely affect the after-tax return to the Issuer of the income under the Cash Deposit Agreement. Pursuant to the Cash Deposit Agreement, the Cash Deposit Bank and the Cash Administrator have agreed to certain non-petition provisions in relation to the Issuer.

In the event that the Cash Deposit Bank is downgraded below the Cash Deposit Bank Required Rating, then on any date which is within 30 calendar days of such downgrade (such replacement date following the downgrade, the "**CD Replacement Date**"), the Issuer will liquidate the Cash Deposit (and the Trustee will be required to release any security in relation thereto and shall bear no liability for so releasing the security) and use the proceeds thereof to enter into a replacement Cash Deposit Agreement with a successor Cash Deposit Bank which has the Cash Deposit Bank Required Rating.

7.3 Cash Administration Agreement

Under an agreement to be dated on or about the Signing Date (the "**Cash Administration Agreement**") between the Issuer, the Cash Administrator, the Trustee, the Cash Deposit Bank, the Reserve Account Bank, the Issuer Account Bank and the Swap Counterparty, the Issuer will

appoint Rabobank Nederland (acting through its Utrecht office) as the Cash Administrator, to provide certain cash administration services on behalf of the Issuer.

In performing the cash administration services, the Cash Administrator agrees that it will comply with any directions given by or on behalf of the Issuer or, as the case may be, the Trustee in accordance with the Cash Administration Agreement.

The Cash Administrator may, in the ordinary course of business, at any time delegate any of its duties under the Cash Administration Agreement to any person who agrees to conduct such duties in accordance with the Cash Administration Agreement. Any such delegation shall not relieve the Cash Administrator of its liabilities and responsibility with respect to such duties, and shall not constitute a resignation of the Cash Administrator or entitle the Cash Administrator to receive any additional fee. If any such delegation is to a party other than any Affiliate of the Cash Administrator, pursuant to the Cash Administration Agreement prior notification thereof shall be given to each of the Rating Agencies and Rating Agency Confirmation shall be obtained in connection such delegation.

The Cash Administrator will be required under the Cash Administration Agreement to report on these principal functions through the preparation and delivery of Cash Administrator Reports (as defined in the Cash Administration Agreement). In addition, in order to perform the principal functions and reporting obligations, the Cash Administrator will be required under the Cash Administration Agreement to make the calculations as further described in the Cash Administration Agreement.

The Issuer may terminate all rights and obligations of the Cash Administrator by written notice to the Cash Administrator following (i) the existence of certain defaults by the Cash Administrator as described in more detail in the Cash Administration Agreement, or (ii) the occurrence of an Enforcement Event (as defined in the Cash Administration Agreement), if requested to do so by the Trustee. The Cash Administrator may not resign unless the performance of its duties is no longer permissible under applicable laws provided that: (i) such circumstances have been sufficiently evidenced and (ii) a successor Cash Administrator has been appointed.

7.4 Issuer Account

Pursuant to the Cash Administration Agreement, the Issuer opened an account with Rabobank Nederland (acting through its Utrecht office and in such capacity, the "**Issuer Account Bank**") into which payments by the Swap Counterparty of any amounts under the Credit Default Swap will be deposited or paid to the order of the Issuer and distributed in accordance with the relevant Issuer's Priority of Payments. In the event that the Issuer Account Bank is downgraded below the Issuer Account Bank Required Rating, then on any date which is within thirty (30) days of the relevant notice, the Issuer will arrange for the transfer of all amounts then standing to the credit of the Issuer Account to a successor Issuer Account Bank having the Issuer Account Bank Required Rating (and the Trustee will be required to release any security in respect of the Issuer Account, subject to substitute security being granted in respect of such amounts, and shall bear no liability for so releasing the security). Any such replacement of the Issuer Account Bank shall be at no cost to the Issuer.

7.5 Issuer Capital Account

The Issuer also opened an account with Rabobank into which its paid-up share capital (*gestort aandelenkapitaal*) has been deposited (the "**Issuer Capital Account**"). No security rights will be granted over the amounts standing to the credit of such Issuer Capital Account.

8. ELIGIBILITY AND PORTFOLIO CRITERIA

The Credit Default Swap will set forth certain criteria as to the creditworthiness and diversity of the Reference Entities and/or for the Reference Obligations.

Eligibility Criteria

With respect to a Reference Obligation and/or Reference Entity that is included in the Reference Portfolio on the Portfolio Composition Date and, following an Adjustment, on the date that a Reference Entity and/or Reference Entity is included in the Reference Portfolio, such Reference Entity and/or Reference Obligation (as applicable) must meet the following individual criteria on the Portfolio Composition Date or the relevant Adjustment Date (as the case may be) (but not necessarily thereafter) (the "**Eligibility Criteria**"):

1. such Reference Obligation is, to the best knowledge of the Swap Counterparty (and without making any investigation in relation thereto), legally valid, binding and enforceable in accordance with its terms and applicable provisions of law;
2. such Reference Obligation is, to the best knowledge of the Swap Counterparty (and without making any investigation in relation thereto) not subject to any limited right (*beperkt recht*) in favour of a third party;
3. the Swap Counterparty has not received any written notice of any outstanding litigation, dispute or claim which materially affects or might reasonably be expected to affect materially the Owner's ability to enforce the Reference Obligation and any related recoveries fully, effectively and promptly;
4. the Reference Obligation is denominated in euro;
5. the Reference Obligation has been granted in accordance with the Swap Counterparty's or the Local Rabobank's (as the case may be) lending policies and credit scoring procedures and has been serviced in accordance with the Servicing Principles;
6. the Reference Obligation does not have the benefit of a grace period in respect of interest payments;
7. the Reference Obligation is irrevocable debt obligation of the Reference Entity and can under its terms not be converted into an equity instrument in the capital of the Reference Entity or any other party;
8. the Reference Entity has a Rabobank Risk Rating of at least R20;
9. the Reference Obligation is governed by Dutch law;
10. no Credit Event is subsisting in relation to the relevant Reference Entity and/or Reference Obligation;
11. the Reference Entity is incorporated, domiciled or has a principal place of business in The Netherlands;
12. each Reference Entity, each Reference Obligation and any related Reference Collateral can be identified on the basis of the information contained in the Reference Registry; and

13. the Reference Entity is not in arrear under its obligations towards the Buyer or a Local Rabobank at the time of inclusion in the Reference Portfolio.

Portfolio Criteria

The Reference Portfolio must, on the Portfolio Composition Date and, subject to the Adjustment Conditions, on each Adjustment Date, meet the following criteria (the "**Portfolio Criteria**"):

1. the aggregate Reference Obligation Notional Amount of a Reference Entity shall not exceed 0.50 per cent. of the Initial Notional Amount;
2. the number of Reference Entities included in the Reference Portfolio exceeds 50,000;
3. the aggregate Reference Obligation Notional Amounts of the 10 largest Reference Entities (based on the total Reference Obligation Notional Amounts of the Reference Obligations of a Reference Entity) shall not exceed 3.4 per cent. of the Initial Notional Amount;
4. the aggregate Reference Obligation Notional Amounts of the 20 largest Reference Entities (based on the total Reference Obligation Notional Amounts of the Reference Obligations of a Reference Entity) shall not exceed 5.85 per cent. of the Initial Notional Amount;
5. the aggregate Reference Obligation Notional Amount of all Reference Entities from one industry group is equal to or lower than 15 per cent. of the Initial Notional Amount, except the industry groups agriculture and management of companies which can be equal to or lower than 20 per cent. and except the industry group construction which can be equal to or lower than 10 per cent.;
6. the percentage of interest only loans in the Reference Portfolio shall not exceed 2 per cent. of the Initial Notional Amount;
7. the aggregate Reference Obligation Notional Amount of all Reference Obligations which benefit from Reference Collateral must be equal to or greater than 88 per cent. of the Initial Notional Amount of which Mortgages must be greater than 73 per cent.; and
8. the Weighted Average Rabobank Risk Rating of the Reference Portfolio does not exceed 14.9.

"Weighted Average Rabobank Risk Rating" means, with respect to the Reference Portfolio, (i) the sum of the product, for each Reference Entity in the Reference Portfolio, of (a) the Reference Entity Notional Amount of such Reference Entity multiplied by (b) the Rabobank Risk Rating assigned to such Reference Entity, divided by (ii) the Portfolio Notional Amount.

Adjustment Conditions

In connection with each Adjustment, the following conditions (the "**Adjustment Conditions**") should be met:

1. the aggregate of the Reference Obligation Notional Amounts of those Reference Obligations in respect of which a Credit Event Notice has been given does not exceed EUR 112,500,000;
2. the sum of Reference Obligation Notional Amounts after giving effect to all Adjustments shall not exceed the Reference Amount;
3. in respect of each such new Reference Entity and/or Reference Obligation (as applicable) the Eligibility Criteria must be met;
4. the Reference Portfolio is in compliance with the Portfolio Criteria prior to such Adjustment and the Reference Portfolio remains in compliance with the Portfolio Criteria after giving effect to such Adjustment (together with any other Adjustment made on the same day);
5. the aggregate of Loss Amounts determined prior to such Adjustment shall not exceed the amount standing to the credit of the Reserve Account; and
6. new Reference Entities and/or Reference Obligations will be selected in accordance with the Swap Counterparty's internal selection procedures.

9. DESCRIPTION OF THE INITIAL REFERENCE PORTFOLIO

Certain characteristics of the Reference Portfolio are set forth below and refer to the composition of the Reference Portfolio as of the Portfolio Composition Date (the "**Initial Reference Portfolio**"). The Reference Portfolio described in this Prospectus complied with the Reference Portfolio Criteria as at the Portfolio Composition Date. It should be noted, for the avoidance of doubt, that the Swap Counterparty will not report on single name loans during the term of the transaction.

Table A - Key Portfolio Characteristics

Number of Reference Obligations	65,604
Number of Reference Entities	56,518
Total of Reference Obligation Notional Amounts	7,499,999,955
Average Notional Amount per Reference Obligation	114,322
Average Notional Amount per Reference Entity	132,701
Maximum Reference Entity Concentration	0.39%
W.A. Coupon (Excluding Current Accounts)	5.34%
W.A. Maturity in Months (Excluding Current Accounts)	6.40
W.A. Seasoning in Months	35.20

Table B - Distribution by Reference Obligation Notional Amount

	Reference Obligations	Notional Amount (€)	% of Pool
< 1,000,000	64,386	4,328,567,394	57.7%
1,000,000 - 2,000,000	723	993,328,745	13.2%
2,000,000 - 3,000,000	210	503,603,445	6.7%
3,000,000 - 4,000,000	87	297,253,999	4.0%
4,000,000 - 5,000,000	73	322,671,877	4.3%
5,000,000 - 6,000,000	31	170,469,070	2.3%
6,000,000 - 7,000,000	27	174,177,230	2.3%
7,000,000 - 8,000,000	15	112,202,181	1.5%
8,000,000 - 9,000,000	13	110,013,991	1.5%
9,000,000 - 1,000,0000	14	133,369,147	1.8%
10,000,0000 - 11,000,000	3	31,341,650	0.4%
11,000,000 - 12,000,000	5	56,584,355	0.8%
12,000,000 - 13,000,000	2	24,450,469	0.3%
13,000,000 - 14,000,000	4	54,272,928	0.7%
14,000,000 - 15,000,000	4	57,939,801	0.8%
15,000,000 - 16,000,000	2	30,375,749	0.4%
17,000,000 - 18,000,000	1	17,606,741	0.2%
18,000,000 - 19,000,000	2	37,242,137	0.5%
≥ 20,000,000	2	44,529,049	0.6%
Grand Total	65,604	7,499,999,955	100.0%

Table C - Distribution by Reference Entity Notional Amount

	Reference Entities	Notional Amount (€)	% of Pool
< 1,000,000	55,257	4,047,867,294	54.0%
1,000,000 - 2,000,000	722	993,243,091	13.2%
2,000,000 - 3,000,000	234	559,249,941	7.5%
3,000,000 - 4,000,000	102	352,187,647	4.7%
4,000,000 - 5,000,000	67	297,820,752	4.0%
5,000,000 - 6,000,000	32	176,118,493	2.3%
6,000,000 - 7,000,000	23	146,820,443	2.0%
7,000,000 - 8,000,000	20	150,916,760	2.0%
8,000,000 - 9,000,000	10	84,032,843	1.1%
9,000,000 - 1,000,0000	14	133,644,825	1.8%
10,000,000 - 11,000,000	5	51,864,040	0.7%
11,000,000 - 12,000,000	5	57,704,634	0.8%
12,000,000 - 13,000,000	3	36,901,226	0.5%
13,000,000 - 14,000,000	7	95,784,472	1.3%
14,000,000 - 15,000,000	4	57,997,205	0.8%
15,000,000 - 16,000,000	3	46,048,745	0.6%
16,000,000 - 17,000,000	1	16,651,678	0.2%
17,000,000 - 18,000,000	2	34,773,732	0.5%
18,000,000 - 19,000,000	2	37,242,137	0.5%
19,000,000 - 20,000,000	1	19,671,251	0.3%
≥ 20,000,000	4	103,458,746	1.4%
Grand Total	56,518	7,499,999,955	100.0%

Table D - Distribution by Origination Year

	Reference Obligations	Notional Amount (€)	% of Pool
≤ 2000	2,433	65,756,479	0.9%
2001	12,804	637,401,049	8.5%
2002	7,375	464,745,423	6.2%
2003	11,125	802,106,150	10.7%
2004	17,454	2,611,352,760	34.8%
2005	4,452	651,427,909	8.7%
2006	4,810	970,366,123	12.9%
2007	5,151	1,296,844,062	17.3%
Grand Total	65,604	7,499,999,955	100.0%

Table E - Distribution by Remaining Maturity in Months

	Reference Obligations	Notional Amount (€)	% of Pool
1	474	84,505,262	1.1%
2	1,087	226,693,013	3.0%
3	424	38,225,249	0.5%
4	461	37,698,335	0.5%
5	608	54,556,859	0.7%
6	54,862	6,414,860,939	85.5%
7	490	26,412,153	0.4%
8	743	103,703,338	1.4%
9	460	31,118,473	0.4%
10	445	31,991,946	0.4%
11	498	36,105,537	0.5%
12	391	26,011,893	0.3%
13	514	36,768,924	0.5%
14	961	157,180,054	2.1%
15	449	30,022,932	0.4%
16	462	25,915,552	0.3%
17	603	35,172,267	0.5%
18	413	21,888,808	0.3%
19	570	28,781,957	0.4%
20	689	52,386,464	0.7%
Grand Total	65,604	7,499,999,955	100.0%

Table F - Distribution by Industry

	Reference Entities	Notional Amount (€)	% of Pool
Accommodation services	2,605	102,611,345	1.4%
Administrative services	759	82,797,390	1.1%
Agriculture	16,456	1,363,096,237	18.2%
Entertainment	1,277	73,817,744	1.0%
Construction	5,145	698,267,710	9.3%
Education services	214	4,894,502	0.1%
Finance and insurance	618	285,583,990	3.8%
Health care	932	224,646,388	3.0%
Information	247	38,474,637	0.5%
Management of companies	3,301	1,207,151,440	16.1%
Manufacturing	3,417	534,087,487	7.1%
Mining	13	2,106,917	0.0%
Other services	2,394	178,900,872	2.4%
Professional services	3,388	242,395,257	3.2%
Real estate	1,730	538,683,184	7.2%
Retail trade	7,072	576,865,156	7.7%
Transportation	2,008	283,015,061	3.8%
Utilities	10	6,160,813	0.1%
Wholesale trade	4,626	1,006,454,144	13.4%
Unknown	306	49,989,682	0.7%
Grand Total	56,518	7,499,999,955	100.0%

Table G - Distribution by Geography

	Reference Entities	Notional Amount (€)	% of Pool
Drenthe	921	100,962,539	1.3%
Flevoland	675	75,262,250	1.0%
Friesland	3,403	314,365,344	4.2%
Gelderland	8,080	945,358,514	12.6%
Groningen	1,770	151,426,013	2.0%
Limburg	4,133	441,187,933	5.9%
Noord-Brabant	10,386	1,283,761,792	17.1%
Noord-Holland	6,489	902,113,036	12.0%
Overijssel	6,346	771,379,117	10.3%
Utrecht	2,727	362,753,537	4.8%
Zeeland	1,605	142,313,062	1.9%
Zuid-Holland	9,676	1,959,098,232	26.1%
Unknown	307	50,018,585	0.7%
Grand Total	56,518	7,499,999,955	100.0%

Table H - Distribution by Internal Credit Rating

	Reference Entities	Notional Amount (€)	% of Pool
R07	992	162,161,063	2.2%
R08	731	54,778,555	0.7%
R09	469	80,599,783	1.1%
R10	274	163,704,098	2.2%
R11	1,522	342,360,677	4.6%
R12	3,692	620,857,462	8.3%
R13	7,408	1,186,024,697	15.8%
R14	9,069	1,189,779,714	15.9%
R15	9,807	1,247,451,696	16.6%
R16	8,015	921,069,158	12.3%
R17	4,751	523,314,953	7.0%
R18	2,332	261,634,181	3.5%
R19	949	132,715,192	1.8%
R20	6,507	613,548,724	8.2%
Grand Total	56,518	7,499,999,955	100.0%

Table I - Distribution by Product Type

	Reference Obligations	Notional Amount (€)	% of Pool
Revolving loans	10,229	642,463,232	8.5%
Term loans	925	476,510,765	6.4%
Current accounts	54,450	6,381,025,959	85.1%
Grand Total	65,604	7,499,999,955	100.0%

Table J - Distribution by Collateral

	Reference Obligations	Notional Amount (€)	% of Pool
No collateral	4,520	706,048,073	9.4%
Mortgage	52,049	5,754,677,327	76.7%
Other collateral	9,035	1,039,274,555	13.9%
Grand Total	65,604	7,499,999,955	100.0%

10. ISSUER

The Issuer was incorporated under the laws of The Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) on 28 November 2007.

10.1 Issuer's Registered Office

The registered office of the Issuer is at Naritaweg 165, 1043 BW Amsterdam, The Netherlands, its corporate seat is in Amsterdam, The Netherlands and its correspondence address is its registered office. The Issuer is registered with the Trade Register of the Chamber of Commerce and Industry in Amsterdam under No. 34287894.

10.2 Parent

The shares of the Issuer are held by the Parent.

Trust International Management (T.I.M.) B.V., a private company with limited liability incorporated under the laws of The Netherlands (*besloten vennootschap met beperkte aansprakelijkheid*) (the "**Parent Director**"), has been appointed as the managing director of the Parent and is responsible for the management and administration of the Parent. The Parent Director has its corporate seat in Amsterdam, The Netherlands and its place of business at Naritaweg 165, 1043 BW Amsterdam, The Netherlands, with telephone number +31 20 572 23 32.

The Parent will on or before the Closing Date enter into an agreement (the "**Parent Management Agreement**") with the Parent Director and the Trustee, under which the Parent Director will perform, in The Netherlands, various corporate administration and secretarial functions on behalf of the Parent until termination of the Parent Management Agreement.

10.3 Issuer Director

Trust International Management (T.I.M.) B.V., a private company with limited liability incorporated under the laws of The Netherlands (*besloten vennootschap met beperkte aansprakelijkheid*) (the "**Issuer Director**"), has been appointed as the managing director of the Issuer and is responsible for the management and administration of the Issuer. The Issuer Director has its corporate seat in Amsterdam, The Netherlands and its place of business at Naritaweg 165, 1043 BW Amsterdam, The Netherlands, with telephone number +31 20 572 23 32.

The Issuer will on or before the Closing Date enter into an agreement (the "**Issuer Management Agreement**") with, the Parent, the Trustee and the Issuer Director, under which the Issuer Director will perform, in The Netherlands, various corporate secretarial functions on behalf of the Issuer until termination of the Issuer Management Agreement. The terms of the Issuer Management Agreement provide that the appointment of the Issuer Director may be terminated at any time by the Issuer Director or the Issuer upon giving not less than two months prior notice in writing to all parties to the Issuer Management Agreement, such termination shall not be effective, however, until a replacement director, acceptable to both the Issuer and the Trustee, is appointed.

The managing directors of the Issuer Director and the Parent Director are: E.P. Knüpfer, M.F. Selhorst and W.J. Langeveld.

10.4 Cash Administrator

Rabobank Nederland will act as Cash Administrator of the Issuer.

10.5 Activities

The Issuer's sole activities will be (a) the issue of the Notes, (b) the entering into of the Transaction Documents and other related agreements, and (c) the exercise of related rights and powers and other activities and transactions reasonably incidental thereto.

10.6 Capitalisation

The following tables shows the capitalisation of the Issuer as of 11 December 2007 as adjusted to take account of the Notes expected to be issued on or around the Closing Date:

Share Capital

Authorised Share Capital	EUR 18,000
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Issued Share Capital	EUR 18,000
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Borrowings

Class A Notes	EUR 7,132,500,000
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Class B Notes	EUR 123,750,000
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Class C Notes	EUR 75,000,000
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Class D Notes	EUR 120,000,000
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Class E Notes	EUR 48,750,000
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10.7 Auditor's Confirmation

The following is the text of a report received by the board of managing directors of the Issuer from Ernst & Young Accountants, Prof. Dr. Dorgelolaan 12, 5613 AM Eindhoven, The Netherlands (general telephone number +31 (0) 40 2602206), the auditors to the Issuer:

To the Directors of BEST SME 2007 B.V.

Eindhoven, 11 December 2007

Dear Sirs,

BEST SME 2007 B.V. (the "**Issuer**") was incorporated on 28 November 2007 under number B.V. 1464837 with an issued share capital of euro 18,000. The Issuer has not yet prepared any financial statements. Since its incorporation, the Issuer has not traded, no profits and losses have been made or incurred and it has not declared or paid any dividends nor made any distributions, save for the activities related to its establishment and the securitisation transaction included in the Prospectus dated 11 December 2007.

Yours faithfully,
for Ernst & Young Accountants

Signed N.A.J. Silverentand

11. **TRUSTEE**

The Trustee is a foundation (*stichting*) incorporated under the laws of The Netherlands on 15 November 2007. The corporate seat (*statutaire zetel*) of the Trustee is in Amsterdam, The Netherlands, and its registered office is at Naritaweg 165, 1043 BW Amsterdam, The Netherlands. The Trustee is registered with the commercial register of the Chamber of Commerce under number 34287110.

The objects of the foundation are:

- (a) to act as security trustee and/or trustee in respect of a securitisation transaction involving the Issuer;
- (b) to act as security trustee and/or trustee on behalf of the holders of notes issued from time to time by the Issuer as well as on behalf of other creditors of the Issuer;
- (c) to act as the beneficiary of payment undertakings in connection with its role as security trustee;
- (d) to keep, manage and enforce security interests granted or to be granted in connection with the transaction described in paragraph (a) above;
- (e) to invest on a temporary basis funds obtained as a result of enforcing security interests as referred to in (d) above on behalf of the parties involved with the securitisation transaction; and
- (f) to enter into agreements and/or undertake other legal acts and activities, in connection with the objects described above, provided always that such activities are necessary or useful for the entering into and performance of its position of security trustee and trustee for holders of notes issued by the Issuer as well as other creditors of the issuer in relation to the securitisation transaction referred to in paragraph (a) above.

The sole director of the Trustee is Europe Management Company B.V., having its registered office at Naritaweg 165, 1043 BW Amsterdam, The Netherlands.

Europe Management Company B.V. entered into an agreement (the "**Trustee Management Agreement**") and together with the Issuer Management Agreement and the Parent Management Agreement, the "**Management Agreements**") in order to provide administrative services to the Trustee. This Trustee Management Agreement may be terminated, *inter alia*, by the Trustee upon the occurrence of certain termination events, which include certain failures by Europe Management Company B.V. to comply with its obligations under such Trustee Management Agreement and certain insolvency events.

12. COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A.

The following information relates to and has been obtained from Rabobank. The delivery of this information shall not create any implication that there has been no change in the affairs of Rabobank since the date hereof, or that the information contained or referred to below is correct as of any time subsequent to the date hereof.

12.1 General

Rabobank Group (the "**Rabobank Group**") was founded over a century ago and is one of the largest banking groups in The Netherlands and ranks in the top twenty-five (25) banking institutions in the world in terms of Tier 1 capital. Rabobank Group is a cooperative banking organisation comprised of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. ("**Rabobank**") (a cooperative entity licensed as a credit institution in The Netherlands), the Local Rabobanks and numerous specialised finance and other subsidiaries. In The Netherlands, the Rabobank Group follows an 'Allfinanz' concept, meaning it provides an integrated range of financial services comprised primarily of retail banking, wholesale banking, asset management and investment, insurance leasing and real estate to a wide range of both individual and corporate customers. The Rabobank Group's wholesale activities and the international retail operations are carried out through Rabobank International. At 30 June 2007 the Rabobank Group operated in The Netherlands through 183 Local Rabobanks and 3,106 contact points and internationally through overseas offices in countries outside The Netherlands.

Since Rabobank first obtained its credit ratings, it has generally received for its senior unsecured long term debt an Aaa rating by Moody's Investors Service Limited (since 1986), an AAA rating by Standard & Poor's (since 1984) and an AAA rating by DBRS (since 2001).

At 30 June 2007 Rabobank had total assets of € 591.7 billion, loans outstanding to private sector borrowers amounting to € 343.9 billion (net of reserves for loan losses), group equity of € 29.7 billion, funds entrusted of € 229.8 billion and € 96.2 billion in savings accounts.

12.2 Capitalisation

As a result of Rabobank's cooperative ownership structure, Local Rabobanks are not allowed to pay dividends, which benefit Rabobank Group's capital base. Rabobank retains all profits after net payments on Rabobank Member Certificates (*RMC's*) and Trust Preferred Securities II, III, IV, V and VI, NZ\$ Perpetual Non-Cumulative Capital Securities and US\$ Perpetual Non-Cumulative Capital Securities (all of which are part of Rabobank Tier-1 regulatory capital). Because a large part of Rabobank's assets is invested in residential mortgages, its risk adjusted capital ratios compare favourably to its peer banks. At 30 June 2007, Rabobank had a Tier 1 ratio of 10.2 per cent.

12.3 Financial Statements

The annual reports and half-year reports of Rabobank are publicly available and can be viewed at www.rabobank.com.

13. **RABOBANK'S LENDING AND COLLECTION POLICIES**

The following information relates to and has been obtained from Rabobank. The delivery of this information shall not create any implication that there has been no change in the affairs of Rabobank since the date hereof, or that the information contained or referred to below is correct as of any time subsequent to the date hereafter.

13.1 Introduction

The responsibility of servicing SME borrowers lies with the Local Rabobank. Every Local Rabobank has its own team of account managers. General support for the Local Rabobanks is provided by a central SME department.

Support related to specific areas is provided by:

- Rabobank Bouwfonds (including FGH Bank and Rabo Real Estate) for real estate financing and project development;
- De Lage Landen for leasing and factoring;
- Rabobank International for derivatives and international servicing; and
- Rabobank Corporate Clients for enterprises with revenues exceeding €30,000,000, Agricultural sector by Food & Agri, and other departments for specific sectors (i.e. healthcare).

The framework for the credit process is formed by legislation and the general approval regulations of the Rabobank Group and additional internal and external regulations.

13.2 General approval regulations

The general approval regulations provide mandatory regulations for providing banking services and for specific products that require upfront approval by Rabobank's central credit risk management department. Binding guidelines have also been set for all components of the credit process: approval, credit review and special credit risk management. Through the general approved regulations, Local Rabobanks have the authorisation to approve credit applications within their level of authorisation. Credit applications outside of the level of authorisation of Local Rabobanks, whereby the total outstanding amount is determined on the basis of the one-obligor principle, are dealt with by Rabobank's central credit risk management department.

13.3 Risk analysis

Rabobank determines the credit risk of its borrowers by using advanced internal rating-based approach. The risk profile of the borrower is determined by the expected loss (EL), whereby $EL = \text{probability of default (PD)} * \text{loss given default (LGD)} * \text{exposure at default (EAD)}$. The PD is determined using scorecards that have been created for different categories of borrowers. The Rabobank Risk Rating (RRR) is a translation of the PD and provides an indication of the probability of default for a borrower (with a range of R0-R20). The LGD is a weighting that represents the proportion of EAD that will be lost if default occurs. The EAD is the exposure at the time of default.

A matrix of the exposure and EL is used to determine the authorisation levels and serve as input for the credit management, financing conditions and the pricing.

13.4 Credit application and authorisation levels

At the start of the credit process a borrower is screened (client acceptance/customer due diligence).

The key elements of the credit application are:

- Company risks, i.e. competition, quality of management, critical success factors;
- Financial performance, i.e. historical and future analysis of annual results, specifically payment capacity and financial position; and
- Bank position, i.e. quality of collateral, commitment of entrepreneur, conditions and covenants.

The required authorisation level increases with the risk profile of the borrower (based on the exposure and EL matrix):

- Level 1: two eye principle: senior account manager is authorised to approve the credit application.
- Level 2: four eye principle: senior account manager together with the credit analyst are authorised to approve the credit application.
- Level 3: six eye principle: senior account manager, the credit analyst and a senior manager are authorised.
- Level 4: Local Rabobank credit committee (the highest authorisation level within a local bank) is qualified to approve the credit application.

For applications above the local authorisation level approval from Rabobank's central credit risk management department is required.

13.5 Credit review

Automated system generated signals are used to monitor borrowers in arrears. Credit management is aimed at receiving early warning signals affecting the credit risk of borrowers which consist of: (i) soft signals (market development / information from clients) and (ii) hard signals (system generated signals).

An annual credit review is required if the exposure exceeds €1,000,000, the annual revenues exceed €10,000,000 or more than 5 separate properties are provided as collateral. An extensive analysis is as a matter of principle made based on the annual reports and/or other (financial) information of the borrower. The approval of the credit review will take place in accordance within the internal authorisation levels.

13.6 Default rating and loan qualification

The following default ratings exist within Rabobank:

- D1: > 90 days in arrears;
- D2: General deterioration of credit quality;
- D3: Restructuring; and
- D4: Bankruptcy.

In addition to the D-rating, the client receives a loan classification: good, OLEM (Other Loans Especially Mentioned), substandard, doubtful and loss. A D2-rating or higher and a change in

continuity classification are always confirmed by the credit committee of the Local Rabobank on the basis of a credit review. In the credit review the next steps are determined. For credit reviews which exceed the local authorisation level approval from Rabobank's central credit risk management department is required.

13.7 Special credit risk management local level

Borrowers will be transferred to special credit risk management department of Local Rabobanks based on:

- > 90 days in arrears;
- Loan classification: substandard, doubtful, loss;
- 2 consecutive years of negative financial results.

The process of (preparation for) terminating the loan, the settlement and the bankruptcy are dealt with by specially appointed and trained employees. The process is based on three phases:

- Borrower retention: in collaboration with the borrower possibilities for continuation of the borrower relationship are determined;
- Liquidation: with or without collaboration with the borrower the relationship is ended and the collateral is liquidated to minimize the (risk of) losses;
- Recourse: the remaining claims on the client after liquidation will be recouped from as far as possible.

13.8 Special credit risk management central level

It is mandatory for a Local Rabobank to inform Rabobank's central credit risk management department if the exposure of the borrower, handled by the local special credit risk management department, exceeds €1,000,000. If in addition:

- Potential loss > 10% of internal authorisation level of the local bank and potential loss > €250,000 or,
- Loans are granted by more Rabobank group companies or
- Potential reputation risk for Rabobank Group.

The borrower will be transferred to Rabobank's central credit risk management department. When transferred, Rabobank's central credit risk management department will take over the borrower relationship.

13.9 Amendment of lending and collection policies

The policies set out above are those that apply on the date of this Prospectus. Such policies may be amended and varied from time to time in the future.

14. TERMS AND CONDITIONS OF THE NOTES

The EUR 7,500,000,000 Floating Rate Credit-Linked Notes due 2011 of BEST SME 2007 B.V. (the "**Issuer**") comprising the EUR 7,132,500,000 Class A Floating Rate Credit-Linked Notes due 2011 (the "**Class A Notes**"), the EUR 123,750,000 Class B Floating Rate Credit-Linked Notes due 2011 (the "**Class B Notes**"), the EUR 75,000,000 Class C Floating Rate Credit-Linked Notes due 2011 (the "**Class C Notes**"), the EUR 120,000,000 Class D Floating Rate Credit-Linked Notes due 2011 (the "**Class D Notes**") and the EUR 48,750,000 Class E Floating Rate Credit-Linked Notes due 2011 (the "**Class E Notes**") and together with the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the "**Notes**" and individually, a "**Note**" and each class thereof, a "**Class**") are constituted and issued on 14 December 2007 (the "**Closing Date**") pursuant to a trust deed dated the Closing Date (the "**Trust Deed**", which expression includes such trust deed as from time to time modified in accordance with the provisions contained therein and any deed or other document expressed to be supplemental thereto as from time to time so modified the Closing Date and made between the Issuer and Stichting Trustee BEST SME 2007 (the "**Trustee**", which expression includes any further or other trustee under the Trust Deed) as trustee for, *inter alios*, the holders for the time being of the Class A Notes (the "**A Noteholders**"), the holders for the time being of the Class B Notes (the "**B Noteholders**"), the holders for the time being of the Class C Notes (the "**C Noteholders**"), the holders for the time being of the Class D Notes (the "**D Noteholders**") and the holders for the time being of the Class E Notes (the "**E Noteholders**" and, together with the A Noteholders, the B Noteholders, the C Noteholders and the D Noteholders, the "**Noteholders**"). The Notes also have the benefit of a paying agency and agent bank agreement dated the Signing Date (the "**Paying Agency and Agent Bank Agreement**", which expression includes any modification thereto) and made among the Issuer, Deutsche Bank AG, London Branch as agent bank (in such capacity, the "**Agent Bank**") and as principal paying agent in respect of the Class B Notes, the Class C Notes, the Class D Notes (in such capacity, the "**CD Principal Paying Agent**"), Coöperatieve Centrale Raiffeisen Boerenleenbank B.A. (trading as "Rabo Securities") as principal paying agent in respect of the Class A Notes (the "**EN Principal Paying Agent**"), the Trustee, Deutsche Bank AG, Amsterdam Branch, as paying agent in respect of the Class B Notes, the Class C Notes and the Class D Notes and the Class E Notes (the "**CD Paying Agent**", Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as "Rabo Securities") as paying agent in respect of the Class A Notes (the "**EN Paying Agent**" and, any further or other paying agents for the time being appointed in respect of the Notes (together with the CD Principal Paying Agent, the CD Paying Agent, the EN Principal Paying Agent and the EN Paying Agent, the "**Paying Agents**" and, together with the Agent Bank, the "**Agents**"), pursuant to which provision is made for the payment of principal and interest in respect of the Notes. The Issuer and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as "Rabobank Nederland") as swap counterparty (in such capacity, the "**Swap Counterparty**") have entered into a credit default swap confirmation dated the Signing Date and made pursuant to a 1992 ISDA Master Agreement (Multicurrency, Cross Border) dated the Signing Date (such ISDA Master Agreement and credit default swap confirmation together the "**Credit Default Swap**").

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Security Documents. Copies of the Trust Deed, the Paying Agency and Agent Bank Agreement, the Credit Default Swap, the Issuer Account Pledge, the Issuer Rights Pledge, the cash administration agreement dated the Signing Date and made

between the Issuer, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as "Rabobank Nederland") as, *inter alia*, cash administrator (in such capacity, the "**Cash Administrator**") and the Trustee (the "**Cash Administration Agreement**") and the master definitions and common terms agreement dated the Signing Date, as the same may be amended or supplemented from time to time, (the "**Master Definitions and Common Terms Agreement**") and made between the Issuer and the other parties to the Transaction Documents are available for inspection during normal office hours at the principal office for the time being of the Trustee, being at the Closing Date at Naritaweg 165, 1043 BW Amsterdam, The Netherlands and at the specified offices of each of the Paying Agents. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all of the provisions of the Trust Deed, the Paying Agency and Agent Bank Agreement, the Issuer Account Pledge, the Issuer Rights Pledge and the Cash Administration Agreement. The issue of the Notes was authorised by a resolution of the sole managing director of the Issuer passed on 7 December 2007. Terms used in these Conditions shall, unless the context requires otherwise, have the meaning given to them Annex A (*Definitions*).

1. Form, Denomination and Title

1.1 Initial Aggregate Principal Amount

Each Class of Notes will be issued in bearer form in the aggregate principal amount on issue of:

- (a) Class A Notes: EUR 7,132,500,000
- (b) Class B Notes: EUR 123,750,000
- (c) Class C Notes: EUR 75,000,000
- (d) Class D Notes: EUR 120,000,000
- (e) Class E Notes: EUR 48,750,000

1.2 EN Notes

- (a) The Class A Notes (the "**EN Notes**") will initially be represented by a temporary global note in bearer form (the "**EN Temporary Global Note**"), without coupons or talons, deposited with *Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.* ("**Euroclear Netherlands**") on or about the Closing Date.
- (b) Such EN Temporary Global Note will be exchangeable not earlier than 40 days but no later than 90 days after the later of the Closing Date and the commencement of the offering of the Notes upon receipt by the Issuer of certification of non-US beneficial ownership from Euroclear Netherlands for interests in a permanent global note in bearer form without coupons or talons (the "**EN Permanent Global Note**", and together with the EN Temporary Global Note the "**EN Global Notes**") for the Class A Notes, which will also be deposited with Euroclear Netherlands.
- (c) Interests in the EN Permanent Global Note are not exchangeable for definitive notes and a holder of EN Notes shall not have the right to request withdrawal thereof under the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*).

- (d) Interests in Notes represented by an EN Global Note will be transferable only in accordance with the Dutch Securities Giro Transfer Act and in accordance with the rules and procedures for the time being for Euroclear Netherlands. Deliveries will take place in accordance with the Dutch Securities Giro Transfer Act. Except as ordered by a court of competent jurisdiction or as required by law or applicable regulations, the Issuer and the Paying Agent may (a) for the purpose of payment of principal and interest on the EN Notes, treat the bearer of the relevant EN Global Note as the holder of the EN Notes, and (b) for all other purposes treat any person who is for the time being shown as the holder of a particular nominal amount of EN Notes in the records of Euroclear Netherlands or an admitted institution within the meaning of the Dutch Securities Giro Transfer Act (in which regard any certificate or other document issued by Euroclear Netherlands or such admitted institution shall be conclusive and binding except in the case of manifest error) as the holder of such nominal amount of EN Notes.
- (e) The following legend will appear on all EN Global Notes held in Euroclear Netherlands:

'THIS NOTE IS ISSUED FOR DEPOSIT WITH NEDERLANDS CENTRAAL INSTITUUT VOOR GIRAAL EFFECTENVERKEER B.V. (EUROCLEAR NETHERLANDS) AT AMSTERDAM, THE NETHERLANDS, THE NETHERLANDS. ANY PERSON BEING OFFERED THIS NOTE FOR TRANSFER OR ANY OTHER PURPOSE SHOULD BE AWARE THAT THEFT OR FRAUD IS ALMOST CERTAIN TO BE INVOLVED'.

1.3 CD Notes

- (a) The Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes (the "**CD Notes**") will initially be represented by a temporary global note in bearer form (a "**CD Temporary Global Note**"), without coupons or talons, deposited with Deutsche Bank AG, London Branch as common depositary (the "**Common Depositary**" for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream Luxembourg**"), on or about the Closing Date.
- (b) Each such CD Temporary Global Note will be exchangeable on a date (the "**Exchange Date**") not earlier than 40 days but no later than 90 days after the later of the Closing Date and the commencement of the offering of the Notes upon receipt by the Issuer of certification of non-US beneficial ownership from Euroclear or Clearstream Luxembourg, as appropriate, for interests in a permanent global note in bearer form without coupons or talons (a "**CD Permanent Global Note**", and together with each CD Temporary Global Note, the "**CD Global Notes**" and the CD Global Notes together with the EN Global Notes, the "**Global Notes**") for the relevant Class of CD Notes. On the exchange of a CD Temporary Global Note for a CD Permanent Global Note of the relevant class, the CD Permanent Global Note will remain deposited with the Common Depositary. The Permanent CD Global Note will be exchangeable for Definitive Notes (as defined below) only in the limited circumstances described below.
- (c) For so long as the CD Notes are represented by a CD Global Note, the CD Notes will be transferable in accordance with the rules and procedures of Clearstream Luxembourg or Euroclear, as appropriate.

- (d) If after the Exchange Date (i) the CD Notes become immediately due and payable by reason of accelerated maturity following an Event of Default, or (ii) either Euroclear or Clearstream Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business and no alternative clearance system satisfactory to the Trustee is available, or (iii) as a result of any amendment to, or change in the laws or regulations of The Netherlands (or of any political sub-division thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or the CD Principal Paying Agent is or will be required to make any deduction or withholding on account of tax from any payment in respect of the CD Notes which would not be required were the CD Notes in definitive form, then the Issuer will at its sole cost and expense, issue:
- (i) Class B Notes in definitive form (the "**Class B Definitive Notes**") in exchange for the whole outstanding interest in the CD Permanent Global Note in respect of the Class B Notes;
 - (ii) Class C Notes in definitive form (the "**Class C Definitive Notes**") in exchange for the whole outstanding interest in the CD Permanent Global Note in respect of the Class C Notes;
 - (iii) Class D Notes in definitive form (the "**Class D Definitive Notes**") in exchange for the whole outstanding interest in the CD Permanent Global Note in respect of the Class D Notes; and
 - (iv) Class E Notes in definitive form (the "**Class E Definitive Notes**" and together with the Class B Definitive Notes, the Class C Definitive Notes and the Class D Definitive Notes, the "**Definitive Notes**") in exchange for the whole outstanding interest in the CD Permanent Global Note in respect of the Class E Notes.
- (e) Definitive Notes, if issued, will be in the denomination of €50,000 each, serially numbered and in bearer form with (at the date of issue) interest coupons ("**Coupons**"). Title to the Definitive Notes and Coupons will pass by delivery.
- (f) The holder of any Definitive Note or Coupon may, to the fullest extent permitted by applicable law, be treated at all times, by all persons and for all purposes, including the making of any payments in respect of the Notes, as the absolute owner of that Definitive Note or Coupon regardless of any notice of ownership, destruction, theft or loss or of any trust or other interest in it or any writing on it. The holder of any Coupon (whether or not such Coupon is attached to the relevant Note) in his capacity as such shall be subject to and bound by all the provisions contained in the Note.

1.4 General

- (a) Each Class of Notes will be issued in minimum denominations of fifty thousand euro (EUR 50,000).
- (b) Title to the Global Notes will pass by delivery. The holder of any Global Note may (except as ordered by a court of a competent jurisdiction or otherwise required by law)

be treated at all times by the Issuer, the Trustee and each Paying Agent as the absolute owner of the Global Note for the purposes of making payments thereon and none of the Issuer, the Trustee and each Paying Agent shall be liable for so treating such holder.

- (c) Any reference to the Notes shall include the Global Notes and where applicable, the Definitive Notes.
- (d) For the purpose of these Conditions "**Noteholder**" and "**holder of a Note**" means (i) in relation to any Notes represented by a Global Note, each person (other than Euroclear Nederland, Clearstream Luxembourg or Euroclear) who is for the time being shown in the records of, in respect of CD Notes, Clearstream Luxembourg or Euroclear, and, in respect of EN Notes, Euroclear Netherlands or an admitted institution within the meaning of the Dutch Securities Giro Transfer Act (as the case may be), as the holder of a particular Adjusted Principal Balance, for which purpose any certificate or other document issued by Clearstream Luxembourg, Euroclear or Euroclear Netherlands or an admitted institution within the meaning of the Dutch Securities Giro Transfer Act, as to the Adjusted Principal Balance of the Notes standing to the account of any person will be conclusive and binding on the basis that that person shall be treated by the Issuer, the Trustee and all other persons as the holder of that Adjusted Principal Balance of those Notes for all purposes other than for the purpose of payments in respect of those Notes, the right to which shall be vested, as against the Issuer, solely in the bearer of the relevant Global Note, who shall be regarded as the Noteholder for that purpose; and (ii) in relation to any Definitive Notes issued under this Condition 1.3 of these Conditions, the bearers of those Definitive Notes; and related expressions shall be construed accordingly.
- (e) Notes will bear the following legend:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO ANY U.S. PERSON, EXCEPT IN AN OFFSHORE TRANSACTION AND IN ACCORDANCE WITH REGULATIONS UNDER THE SECURITIES ACT, UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM BY REGULATIONS.

ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES OF AMERICA) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE OF THE UNITED STATES OF AMERICA."

- (f) Coupons will bear the following legend:

"ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE OF THE UNITED STATES OF AMERICA) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED

STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE OF THE UNITED STATES OF AMERICA."

- (g) Where in these Conditions a reference is made to Note, this shall, unless the context otherwise requires, include a reference to a Coupon if and to the extent that Definitive Notes have been issued in accordance with these Conditions.
- 2. Status, Relationship between Classes, Security and Priority, Credit Default Swap
- 2.1 Status and Relationship Between Classes
- (a) The Notes of each Class are direct and secured obligations and rank *pari passu* and rateably without any preference or priority amongst Notes of the same Class.
- (b) In accordance with the provisions of Condition 6 (*Payments*) and the Trust Deed (i) payments in respect of principal and interest due on the Class E Notes are subordinated to all payments of principal and interest due the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes; (ii) payments in respect of principal and interest due on the Class D Notes are subordinated to all payments of principal and interest due on the Class A Notes, the Class B Notes and the Class C Notes; (iii) payments in respect of principal and interest due on the Class C Notes are subordinated to all payments of principal and interest due on the Class A Notes and the Class B Notes; (iv) payments in respect of principal and interest due on the Class B Notes are subordinated to all payments of principal and interest due on the Class A Notes.
- (c) The Notes are all secured by the same security, but (i) the Class A Notes will rank in priority to the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes; (ii) the Class B Notes will rank in priority to the Class C Notes, the Class D Notes and the Class E Notes; (iii) the Class C Notes will rank in priority to the Class D Notes and the Class E Notes; and (iv) the Class D Notes will rank in priority to the Class E Notes, in the event of the Security being enforced.
- (d) References herein to "**Most Senior Class of Notes**" are to:
 - (i) the Class A Notes (if, at any time, any Class A Notes are then outstanding); or
 - (ii) if no Class A Notes are then outstanding, the Class B Notes (if, at any time, any Class B Notes are then outstanding); or
 - (iii) if no Class A Notes or Class B Notes are then outstanding, the Class C Notes (if, at any time, any Class C Notes are then outstanding); or
 - (iv) if no Class A Notes, Class B Notes or Class C Notes are then outstanding, the Class D Notes (if, at any time, any Class D Notes are then outstanding); or
 - (v) if no Class A Notes, Class B Notes, Class C Notes or Class D Notes are then outstanding, the Class E Notes (if, at any time, any Class E Notes are then outstanding).
- (e) Where the Trustee is required in connection with the exercise of its powers, authorities, duties and discretions to have regard to the interests of the Noteholders, and there is a

conflict between the interests of a Class of Noteholders and any other Class or Classes of Noteholders, it will have regard to the interests of the different classes of Noteholders as follows: (a) *first*, to the interests of the A Noteholders, (b) *second*, to the interests of the B Noteholders, (c) *third*, to the interests of the C Noteholders, (d) *fourth*, to the interests of the D Noteholders, (e) *fifth*, to the interests of the E Noteholders, in each case as one class, and, in particular but without prejudice to the generality of the foregoing, the Trustee will not have regard to, or be in any way liable for, the consequences of such exercise for individual holders of Notes of the relevant class resulting from their being for any purposes domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any such exercise, the Trustee will not be entitled to require, and no holder of a Note will be entitled to claim, from the Issuer or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders.

- (f) Except where otherwise expressly provided in these Conditions, the Trust Deed and the other Transaction Documents, the Trustee shall not have regard to the interests of, or act at the request or discretion of, any person (other than the Noteholders) entitled to the benefit of the Security.

2.2 Security and Priority

- (a) As security for the payment or discharge of the Secured Liabilities, the Issuer grants the following security (the "**Security**") in favour of the Trustee:
 - (i) pursuant to a Dutch law pledge deed (the "**Issuer Rights Pledge**") with the Trustee dated on or about the Closing Date, a first ranking right of pledge over all of its rights (*vorderingen op naam*), present and future, in and to the Transaction Documents, to which it is a party;
 - (ii) pursuant to a Dutch law pledge deed (the "**Issuer Account Pledge**") with the Trustee dated on or about the Closing Date, a first ranking right of pledge over all of its rights (*vorderingen op naam*), present and future, in and to the Cash Deposit, the Reserve Account; and the Issuer Account and all monies standing to the credit thereof; and
 - (iii) upon the occurrence of a CD Replacement Date, pursuant to a pledge deed (a "**Replacement Cash Deposit Pledge**") (if any) with the Trustee, a first ranking right of pledge over all of its rights, present and future, in and to any replacement Cash Deposit and all monies standing to the credit thereof.
- (b) The Noteholders and the holders of any Coupons pertaining thereto will (together with the other Secured Parties), through the Parallel Debt, share the benefit of the Security held by the Trustee under the Security Documents, upon and subject to the terms thereof and are deemed to have acknowledged, and are bound by the Parallel Debt.
- (c) The Trust Deed contains provisions regulating the priority of application of amounts arising from the assets and property forming part of the Security (the "**Secured Property**") and the proceeds of enforcement of the Secured Property among the persons entitled thereto. Prior to the service of an Enforcement Notice, the Cash Administrator is required to apply all amounts available to the Issuer, including monies in respect of

Available Redemption Funds and Available Income Funds in accordance with the Available Income Funds Priority of Payments and the Available Redemption Funds Priority of Payments, unless otherwise provided in the Cash Administration Agreement. The Security shall become enforceable, *inter alia*, upon the Trustee giving an Enforcement Notice, upon any failure by the Issuer to pay the amount due on redemption in full of the Notes under Condition 5 (*Redemption*). On enforcement of the Security, the Trustee is required to apply the proceeds of such enforcement, including but not limited to monies in respect of Available Redemption Funds and Available Income Funds (the "**Post-Enforcement Funds**") in accordance with the Post-Enforcement Priority of Payments.

2.3 Portfolio Tranches

- (a) Each Class of Notes shall be linked to the Tranche created under the Credit Default Swap and specified opposite the relevant Class in the table below (in respect of each Tranche, the Class of Notes opposite such Tranche is the "**Corresponding Class**"):

<u>Class</u>	<u>Tranche</u>
Class A Notes	Fifth Loss Tranche
Class B Notes	Fourth Loss Tranche
Class C Notes	Third Loss Tranche
Class D Notes	Second Loss Tranche
Class E Notes	First Loss Tranche

- (b) Any decrease in the Adjusted Notional Amount of any Tranche under the terms of the Credit Default Swap will result in a corresponding decrease or increase in the Adjusted Principal Balance of the Corresponding Class in the manner and to the extent specified in Condition 5.2 (*Amortised Redemption*), Condition 5.4 (*Mandatory Redemption*), and Condition 5.6 (*Reduction of Adjusted Principal Balance*).

3. Covenants of the Issuer

The Trust Deed contains, *inter alia*, covenants in favour of the Trustee which restrict the ability of the Issuer to create or incur any indebtedness (other than certain permitted indebtedness as set out in the Trust Deed), to dispose of assets, change the nature of its business or to take, or fail to take, any action which may adversely affect the priority or enforceability of the Security Documents.

4. Interest

4.1 Period of Accrual

- (a) Interest shall accrue on each Class of Notes having an Adjusted Principal Balance in excess of zero from and including the Closing Date. Such interest shall be payable on each Interest Payment Date subject as provided in Condition 7 (*Payments*).
- (b) For the purposes of these Conditions "**Interest Payment Date**" means each 23 March, 23 June, 23 September and 23 December of each year (or, if any such day is not a business day, the next succeeding business day unless the next succeeding business day

falls in the next calendar month in which case the Interest Payment Date will be the preceding business day) to and including the Final Maturity Date.

- (c) For the purposes of these Conditions "**business day**" means any TARGET Settlement Day which is a day, other than a Saturday or Sunday on which banking institutions in Amsterdam are generally open for commercial business. "**TARGET Settlement Day**" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.
- (d) Each Note shall cease to accrue interest from its due date for redemption unless, upon due presentation, payment of the relevant amount of principal is improperly withheld or refused. In such event, interest will continue to accrue thereon in accordance with this Condition 4.1 (*Period of Accrual*) (in the same manner both before and after any judgment) up to (but excluding) the date on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder, or (if earlier) the seventh day after notice is duly given by the relevant Principal Paying Agent to the holder thereof (in accordance with Condition 4.5 (*Publication of Rate of Interest and Interest Amount*)) that it has received all sums due in respect of such Note (except to the extent that there is any subsequent default in payment).
- (e) Whenever it is necessary to compute an amount of interest in respect of any Note for any period (including an Interest Period (as defined below)), such interest shall be calculated on the basis of the Day Count Fraction.

4.2 Interest Periods

Interest on the Notes of a Class is payable by reference to successive Interest Periods. "**Interest Period**" means each period beginning on (and including) the Closing Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date and, with respect to the last Interest Period ending on (but excluding) the Final Redemption Date.

4.3 Available Income Funds

Payment of interest in respect of the Notes is subject to the provisions of the Cash Administration Agreement pursuant to which the Cash Administrator shall apply Available Income Funds on each Interest Payment Date in accordance with the Available Income Funds Priority of Payments and, in relation to the payment of interest on the Notes specified therein, shall be made in the Order of Seniority, in each case *pro rata* and *pari passu* among the Notes of each Class.

4.4 Rate of Interest

The rate of interest payable from time to time in respect of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes (each a "**Rate of Interest**") and the relevant Interest Amount (as defined below) will be determined on the basis of the provisions set out below:

- (a) on the second TARGET Settlement Day before the first day of the relevant Interest Period (each the "**Interest Determination Date**"), the Agent Bank will determine the rate for euro deposits for a period equal to the relevant Interest Period which appears on Telerate page 248 ((save that (x) in the case of the first Interest Period, the rate will be a linear interpolation of EURIBOR for 3-month and 4-month euro deposits shown on

such page, and (y) if the Notes are redeemed on the Scheduled Maturity Date or the Final Maturity Date, the rate for the last Interest Period will be one month EURIBOR shown on such page) or (i) such other page as may replace Telerate page 248 on that service for the purpose of displaying such information or (ii) if that service ceases to display such information, such page as displays such information on such service as may replace the Telerate Service, at or about 12:00 noon (London time) on that date (the "**Screen Rate**") and the Rate of Interest for such Interest Period shall, subject as provided below, be the Screen Rate plus the Relevant Margin (as defined below);

(b) if the rate or rates referred to in (a) above do not appear on that page, the Agent Bank will:

- (i) request the principal euro-zone office of each of four major banks in the euro-zone interbank market to provide a quotation of the rate at which deposits in euro are offered by it at approximately 12:00 noon (London time) on the Interest Determination Date to prime banks in the euro-zone interbank market for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time; and
- (ii) determine the arithmetic mean (rounded, if necessary to the nearest one hundred thousandth of a percentage point, 0.000005 being rounded upwards) of such quotations,

and the Rate of Interest for such Interest Period shall be such arithmetic mean as determined by the Agent Bank plus the Relevant Margin; and

(c) if fewer than two such quotations are provided as requested, the Agent Bank will determine the arithmetic mean (rounded, if necessary, as aforesaid) of the rates quoted by major banks in the euro-zone, selected by the Agent Bank, at approximately 12:00 noon (London time) on the Interest Determination Date for loans in euro to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time, and the Rate of Interest for such Interest Period shall be the sum of the Relevant Margin and the rate or (as the case may be) the arithmetic mean so determined, provided, however, that if the Agent Bank is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Relevant Margin and the rate or (as the case may be) arithmetic mean last determined in relation to the Notes in respect of the preceding Interest Period.

"Relevant Margin" means for each Interest Period:

- (a) 0.15 per cent. per annum in respect of the Class A Notes;
- (b) 0.85 per cent. per annum in respect of the Class B Notes;
- (c) 1.30 per cent. per annum in respect of the Class C Notes;
- (d) 2.30 per cent. per annum in respect of the Class D Notes; and
- (e) 3.00 per cent. per annum in respect of the Class E Notes.

The determination of the Rate of Interest by the Agent Bank shall (in the absence of manifest error), be final and binding upon all parties.

4.5 Determination of Rate of Interest and Calculation of Interest Amounts

The Agent Bank shall, as soon as practicable after 12:00 noon (London time) on each Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable in respect of each Class of Notes (or portion of such amount then outstanding) (the "**Interest Amount**") for the relevant Interest Period. The Interest Amount in relation to each Class shall be calculated by applying the applicable Rate of Interest to the Adjusted Principal Balance of each Class during such Interest Period, multiplying such product by the Day Count Fraction and rounding up the resulting figure to the nearest EUR 0.01 (half a euro being rounded upwards). In the event that, at any time, CPA Tranche Allocation Amount is required to be allocated in an amount which exceeds the Adjusted Principal Balance of the most junior Class then outstanding, the Adjusted Principal Balance of such Class shall be reduced to zero on the Interest Payment Date on which the relevant Credit Protection Amount is paid, no interest shall accrue or be payable on such Class thereafter. The determination of the Interest Amount by the Agent Bank shall (in the absence of manifest error) be final and binding on all parties.

4.6 Publication of Rate of Interest and Interest Amount

The Agent Bank will cause the Rate of Interest and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified no later than the first day of the relevant Interest Period to the Issuer, the Cash Administrator, the Trustee, and each of the Paying Agents and will cause notice thereof to be given in accordance with Condition 12 (*Notices*). The Rate of Interest, Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of any extension or shortening of the Interest Period or in the case of manifest error.

4.7 Determination or Calculation by Trustee

If the Agent Bank does not at any time for any reason determine the Rate of Interest or calculate the Interest Amount for any Interest Period in accordance with the foregoing paragraphs, the Trustee shall (i) determine the applicable Rate of Interest at such rate as, in its absolute discretion, it shall deem fair and reasonable in all the circumstances, or (ii) calculate the Interest Amount in the manner specified in Condition 4.4 (*Determination of Rate of Interest and Calculation of Interest Amounts*) above, and any such determination or calculation shall be deemed to have been made by the Agent Bank and shall (in the absence of manifest error) be final and binding upon all parties. The Trustee shall not be liable to any of the Noteholders, the Issuer, the Swap Counterparty or any other person in connection with the exercise of its discretion as provided in this Condition 4.6 (*Determination or Calculation by Trustee*).

4.8 Agent Bank

The Issuer shall ensure that, so long as any of the Notes remains outstanding, there shall at all times be an Agent Bank. If such Agent Bank (acting through its relevant office) is unable or unwilling to continue to act as the Agent Bank, or if the Agent Bank fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amount the Issuer shall appoint such other bank as may be approved by the Trustee in writing to act as such in its place. The Agent Bank may not resign its duties until a successor Agent Bank approved by the Trustee has been appointed.

5. Redemption

5.1 Scheduled Redemption

The Notes will be redeemed on 23 July 2009 (the "**Scheduled Maturity Date**") at their respective Adjusted Principal Balances (after giving effect to any reductions that may be made to the Adjusted Principal Balance of the Notes as a result of any CPA Tranche Allocation Amounts in connection with Credit Protection Amounts that may be payable by the Issuer to the Swap Counterparty on such date) together with accrued and unpaid interest thereon unless (a) the Termination Date occurs prior thereto or (b) there exists a positive Maximum Noteholder Contribution Liability (in respect of amounts due or potentially due after such Interest Payment Date) on the Scheduled Maturity Date or any earlier Termination Date and the Swap Counterparty has not elected to terminate the Credit Default Swap in which case Condition 5.2 (*Amortised Redemption*) shall apply.

5.2 Amortised Redemption

On the Scheduled Maturity Date or any earlier Termination Date or Tax Redemption Date, and on each Redemption Date thereafter, the Issuer shall, subject to any prior ranking claims in accordance with the applicable Issuer's Priority of Payments, allocate and apply an amount of the Available Redemption Funds equal to the Distributable Principal Amount for that date together with Interest Collections available therefor in redemption of the Notes until they are fully redeemed at their Adjusted Principal Balance together with any accrued but unpaid interest thereon.

5.3 Redemption for Tax Reasons

The Issuer may, provided that it satisfies the Trustee that a Tax Redemption Event has occurred, by giving not less than 30 or more than 45 days' notice to the Noteholders (which notice will be irrevocable) designate an Interest Payment Date as a redemption date (the "**Tax Redemption Date**").

"**Tax Redemption Event**" means:

- (a) the Issuer is subject to or becomes liable or there is a substantial likelihood that within 90 days of the relevant date of determination (such determination being made by the Issuer relying on an opinion of independent legal advisers) the Issuer will become liable to pay any Tax (other than as described under (b) and (c) below) or Increased Cost; or
- (b) payments of interest earned on the Cash Deposit, Reserve Account or Issuer Account paid to the Issuer are, or there is a substantial likelihood that within 90 days of the relevant date of determination (such determination being made by the Issuer relying on an opinion of independent legal advisers), will become subject to deduction or withholding for or on account of any Tax; or
- (c) the Issuer will, or there is a substantial likelihood that within 90 days of the relevant date of determination (such determination being made by the Issuer relying on an opinion of independent legal advisers, as described below) the Issuer will on the next succeeding Interest Payment Date, be required to withhold or deduct an amount in respect of any Tax from any payment of principal of, interest on or any other amount payable in respect of the Notes,

and in respect of items (a) to (c) above, such obligation cannot be avoided by the Issuer using reasonable endeavours to arrange for a change of residence or substitution.

Prior to the publication of any notice designating a Tax Redemption Date pursuant to this Condition 5.3 the Issuer shall deliver to the Trustee an opinion, in form and substance satisfactory to the Trustee, of independent tax advisers of recognised standing to the effect that the relevant Tax Redemption Event applies as of the date of such opinion or will apply within 90 days of the date of the opinion. The Trustee shall be entitled to accept such opinion (but may accept other evidence in lieu thereof, which in its sole opinion is satisfactory to the Trustee) as sufficient evidence of the existence of a Tax Redemption Event, in which event it shall be conclusive and binding on the Noteholders. A notice delivered by the Issuer designating a Tax Redemption Date will be irrevocable.

5.4 Order of Seniority

On any Redemption Date, the Notes will be redeemed in accordance with the Order of Seniority until the Adjusted Principal Balance of each Class, beginning with the most Senior Class of Notes then outstanding, is repaid in full. No Note of any Class will be redeemed until all the Notes of the Classes ranking senior to such Class have been redeemed at their then Adjusted Principal Balance. The Notes of each Class will be redeemed *pro rata* within such Class.

5.5 Notice of Principal Repayment

If principal on the Notes is due and payable on any date other than the Scheduled Maturity Date, the Issuer shall procure that the date and amount of any such payments are notified to the Noteholders, the Cash Administrator, the Trustee and each of the Paying Agents in accordance with Condition 12 (*Notices*) as soon as practicable after the determination of such date and amount.

5.6 Reduction of Adjusted Principal Balance

On each Interest Payment Date on which any CPA Tranche Allocation Amount is allocated to any of the Tranches under the Credit Default Swap and applied in reducing the Adjusted Notional Amount of such Tranche, the Adjusted Principal Balance of the Corresponding Class (and, accordingly, the Adjusted Principal Balance of the Notes of such Class) shall be reduced, without any corresponding payment to the Noteholders of such Class, by an amount equal such CPA Tranche Allocation Amount. Under the terms of the Credit Default Swap, such reduction will be allocated to the Adjusted Notional Amount of the Tranches in Reverse Order of Seniority and, accordingly, the corresponding reduction to the Adjusted Principal Balance of the Notes will be allocated, (a) to the Class E Notes until the Adjusted Principal Balance of the Class E Notes is reduced to zero, (b) to the Class D Notes until the Adjusted Principal Balance of the Class D Notes is reduced to zero, (c) to the Class C Notes until the Adjusted Principal Balance of the Class C Notes is reduced to zero, (d) to the Class B Notes until the Adjusted Principal Balance of the Class B Notes is reduced to zero, and (e) to the Class A Notes until the Adjusted Principal Balance of the Class A Notes is reduced to zero and, in each case, *pro rata* within each Class. Such reduction of the Adjusted Principal Balance of any Class of Notes shall be deemed to occur automatically on the Interest Payment Date on which the relevant CPA Tranche Allocation Amount is allocated to a Tranche without further action by any party and shall not be deemed to constitute a redemption of the Notes of such Class.

5.7 Final Redemption

Unless previously redeemed or cancelled, the Notes of each Class will be redeemed at their Adjusted Principal Balance together with accrued and unpaid interest on such Notes on 25 July 2011 (the "**Final Maturity Date**"), subject as provided in Condition 7 (*Payments*).

5.8 Notification of Adjusted Principal Balance

The Issuer shall, as soon as reasonably practicable after any adjustment of the Adjusted Principal Balance of any Class of Notes, notify the Noteholders, the Cash Administrator, the Trustee and each of the Paying Agents in accordance with Condition 12 (*Notices*) of the amount of any reduction of the Adjusted Principal Balance of any Class of Notes.

5.9 No Purchase; Cancellation

The Issuer may not, at any time, purchase any of the Notes in the open market or otherwise. All Notes redeemed by the Issuer will be cancelled and may not be reissued or resold.

6. Payments

6.1 Global Notes

For as long as the Notes are represented by a Global Note, (i) payments of principal and interest in respect of the EN Global Notes will be made in euro to Euroclear Netherlands for credit of the respective accounts of the holders of the EN Notes, and (ii) payments of principal and interest in respect of the CD Global Notes will be made in euro to Euroclear and Clearstream Luxembourg, as the case may be, for credit of the respective accounts of the holders of the CD Notes.

6.2 Payments Subject to Tax Laws

All payments in respect of the Notes are subject in all cases to any fiscal or other laws and regulations applicable thereto. No commissions or expenses shall be charged to the Noteholders, in respect of such payments.

6.3 Definitive Notes

- (a) Payment of principal in respect of Definitive Notes will be made upon presentation and surrender of such Definitive Note at the specified office of the Paying Agents. Payments of interest in respect of the Definitive Notes will (subject as provided in this Condition 6.3 (*Definitive Notes*)) be made only against presentation and surrender of the relevant Coupons at the specified office of the Paying Agents. Such payment will be made in euros in cash or by transfer to a euro account maintained by the payee with a bank in the Euro zone, as the holder may specify. All such payments are subject to any fiscal or other laws and regulations applicable in the place of payment. All payments of interest shall be made outside the United States.
- (b) On the date upon which any Definitive Note becomes due and payable in full, unmatured Coupons (if any) of that class appertaining thereto (whether or not attached to such Note) shall become void and no payment shall be made in respect thereof. If the due date for redemption of any Definitive Note of a particular class is not an Interest Payment Date, accrued interest will be paid only against presentation and surrender of such Definitive Note.
- (c) At the Final Maturity Date, or such earlier date the Notes become due and payable, the Definitive Notes should be presented for payment together with all unmatured Coupons

appertaining thereto, failing which the full amount of any such missing unmatured Coupons (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupons which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of five years following the due date for payment of such principal (whether or not such Coupons would have become unenforceable pursuant to Condition 7.3 (*Prescription*)).

6.4 Non-Business Days

If the relevant Interest Payment Date is not a day on which banks are open for business in the place of presentation of the relevant Note or Coupon, the holder thereof shall not be entitled to payment until the next following such day, or to any interest or other payment in respect of such delay, provided that in the case of payment by transfer to an Euro account as referred to above, the relevant Principal Paying Agent shall not be obliged to credit such account until the day on which banks in the place of such account are open for business immediately following the day on which banks are open for business in The Netherlands. The name of the Paying Agents and their initial specified offices are set out below.

6.5 Partial Payments

If any amount of principal is improperly withheld or refused on or in respect of any Note, the interest which continues to accrue in respect of such Note will be calculated in accordance with Condition 4 (*Interest*) and will be paid against presentation of such Note at the specified office of the Paying Agents.

7. Payment Shortfalls, Prescription and Taxes

7.1 Principal

In the event of any redemption of the Notes in whole or in part accordance with the Available Redemption Funds Priority of Payments, the Available Redemption Funds shall be applied in accordance with the Available Redemption Funds Priority of Payments to redeem in full each Class of Notes in accordance with the Order of Seniority. If the Available Redemption Funds are insufficient to pay in full the Adjusted Principal Balance (or, where applicable, the portion thereof payable on the relevant date) of a Class of Notes in accordance with the foregoing priority of payments (such Class is hereafter referred to in this Condition 7.1 (*Principal*) as the "**Residual Class**"), then the Available Redemption Funds (or the portion remaining after making provision for payment in full of each more senior Class then outstanding) shall be applied to redeem in part all of the Notes of the Residual Class by making payment of a *pro rata* share of the Available Redemption Funds (or the portion remaining after making provision for payment in full to each more senior Class) of each of the Notes of the Residual Class then outstanding.

7.2 Limited Recourse

In the event that the Security is enforced and the proceeds of such enforcement are insufficient (after realisation of all of the property comprised in the Security and after payment of all other claims ranking in priority to, or *pari passu* with, the Notes of any Class and the Coupons pertaining thereto in accordance with the Post-Enforcement Priority of Payments) to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes of such

Class, the Noteholders of such Class and the holders of the Coupons pertaining thereto shall have no further claim against the Issuer in respect of any such unpaid amounts.

7.3 Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons shall become prescribed unless made within five (5) years from the date on which such payment first becomes due.

7.4 Taxes

All payments of, or in respect of, principal and interest on the Notes will be made without withholding of, or deduction for or on account of, any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of The Netherlands, any authority therein or thereof having power to tax unless the withholding or deduction of such taxes, duties, assessments or charges by the Issuer or Paying Agents (as the case may be) are required by law. In that event, the Issuer or Paying Agents (as the case may be) will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not be obliged to pay any additional amounts to such Noteholders in respect of such withholding or deduction.

8. Events of Default

The Trustee may at its discretion, and shall (i) if so requested in writing by the holders of more than 50 per cent. of the Adjusted Principal Balance of the Most Senior Class of Notes outstanding; or (ii) if so directed by or pursuant to an Extraordinary Resolution of the holders of the Most Senior Class of Notes outstanding (subject in each case to the Trustee being indemnified and/or secured to its satisfaction), give written notice to the Issuer (an "**Enforcement Notice**") (with a copy to the Cash Deposit Bank and the Cash Administrator) declaring the Notes of each Class to be due and repayable (whereupon the Security shall become enforceable) at their Adjusted Principal Balance together with any accrued interest, at any time after the happening of any of the following events (each an "**Event of Default**"), so long as such event shall be continuing in respect of the Notes of such Class:

- (a) default in the payment, on the due date for redemption in full or in part of the Notes or any of them, of the amount of principal then due and payable, in accordance with Condition 5 (*Redemption*), on the Notes or any of them, or in the payment on the due date therefor, of the amount of interest (if any) then due in accordance with Condition 4 (*Interest*) and Condition 5 (*Redemption*), on the Notes which default continues for a period of five business days or more;
- (b) default by the Issuer in the performance or observance of any of its other obligations under or in respect of the Notes or any of them or any of the Transaction Documents to which it is a party (other than any obligation for the payment of principal or interest on the Notes) and, except where, in the sole and absolute opinion of the Trustee, such default is incapable of remedy, in which case no notice will be required, such default remains unremedied for 10 days after the Trustee has given written notice thereof to the Issuer, certifying that such default is, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders;
- (c) (i) an 'executory attachment' (*executoriaal beslag*) or similar measure under foreign law is made on the whole or any substantial part of the assets of the Issuer or an 'interlocutory

attachment' (*conservatoir beslag*) or similar measure under foreign law is made thereon and, in either case, is not cancelled or withdrawn within 30 days after the making thereof, (ii) bankruptcy (*faillissement*) or moratorium of payments (*surseance van betaling*) proceedings are initiated or applied for, or a similar measure under foreign law is taken, in respect of the Issuer and such proceedings are not dismissed within 30 days or, in the opinion of the Trustee, being disputed in good faith, or the Issuer ceases to pay its debts or admits to be, is or is deemed insolvent or unable to pay its debts pursuant to or for the purposes of any applicable law, or (iii) the Issuer ceases to carry on all or any substantial part of its business except for purposes of or pursuant to a merger, demerger or reconstruction as is referred to in Condition 8(d) (*Events of Default*) below;

- (d) an order is made by any competent court or a resolution is passed for the winding-up or dissolution and liquidation (*ontbinding en vereffening*) of the Issuer, other than for the purposes of or pursuant to a merger, demerger or reconstruction, the terms of which have previously been approved in writing by the Trustee or by an Extraordinary Resolution of the Noteholders; or
- (e) it is or will become illegal for the Issuer to perform or comply with any of its obligations under or in respect of the Notes, or any of the Transaction Documents, provided that where such illegality has not yet taken effect then there shall not be an Event of Default if such illegality can be avoided by the substitution for the Issuer in accordance with Condition 10.3 (*Substitution*) and the relevant provisions in the Trust Deed and such substitution is effected before such illegality takes effect (but where such illegality has taken effect, then there shall be an Event of Default if such substitution cannot be effected within a reasonable time before the next succeeding Interest Payment Date) and provided further that it shall not be an Event of Default (1) if the relevant illegality relates solely to the ability of the Issuer to make payments under the Notes, (2) such illegality can be avoided (or ratified) by the substitution and the substitution has been effected, and (3) the other provisions of Condition 10.3 (*Substitution*) and the relevant provisions in the Trust Deed have been fully complied with prior to the first date following such illegality taking effect on which the Issuer is required under these Conditions to make any payment in respect of the Notes.

Notice of any declaration by the Trustee that the Notes of each Class are due and payable shall promptly be given to the Noteholders in accordance with *Condition 12 (Notices)*. Upon any declaration being made by the Trustee in accordance with this Condition 8 (*Events of Default*) that the Notes are due and payable, the Notes of each Class shall immediately become due and repayable at their respective Adjusted Principal Balances, together with any interest accrued in accordance with these Conditions, and the Security shall become enforceable.

9. Enforcement of Security

At any time after the Security has become enforceable the Trustee may, and shall (i) if directed or requested to do so in writing by the holders of not less than 50 per cent. of the Adjusted Principal Balance of the Most Senior Class of Notes outstanding, (ii) if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes outstanding; or (iii) if so directed or requested in writing by the Swap Counterparty, subject, in each case, to the Trustee being indemnified and/or secured to its satisfaction, enforce the Security, provided that the Trustee shall not act on the directions or request of the holders of the Most Senior Class of Notes outstanding to the extent that such directions or request conflict with any direction or

request of the Swap Counterparty (in which event the Trustee shall be obliged to act, irrespective of the effect thereof on the interests of the Noteholders and (subject as provided below) irrespective of any directions or requests made by the holders of the Most Senior Class of Notes) and provided further that the Trustee shall not act on any direction or request of the Swap Counterparty to the extent that an event of default has occurred under the Credit Default Swap and the Swap Counterparty is the Defaulting Party.

No Noteholder or other Secured Party shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to do, fails to do so within a reasonable period and such failure shall be continuing.

10. Meetings of Noteholders; Modification; Waiver; Substitution

10.1 Meetings of Noteholders

- (a) The Trust Deed contains provisions for convening meetings of the holders of a Class of Notes, to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution, of such holders of the relevant Class of Notes of a change of any of the Conditions or any provisions of the Transaction Documents. However, no change of certain terms by the holders of the relevant Class including the date of maturity of any Class of Notes, or a change which would have the effect of postponing any day for payment of interest in respect of such Class of Notes, reducing or cancelling the amount of principal payable in respect of such Class of Notes or altering the majority required to pass an Extraordinary Resolution or any alteration of the date or priority of redemption of such Class of Notes (any such change in respect of a Class of Notes referred to below as a "**Basic Terms Change**") shall be effective except if it is sanctioned by an Extraordinary Resolution of the holders of each class of Notes then outstanding or the Trustee is of the opinion that such a Basic Terms Change (a) is being proposed by the Issuer as a result of, or in order to avoid an Event of Default, and (b) will not adversely affect the then current ratings assigned to Notes.
- (b) A resolution in writing signed by or on behalf of all holders of the relevant Class of Notes who for the time being are entitled to receive notice of a meeting of holders of such Class of Notes under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in a document or several documents in the same form, each signed by or on behalf of one or more holders of the relevant Class of Notes.
- (c) A meeting of the holders of a Class of Notes as referred to above may be convened by the Issuer or by the holders of that Class of Notes holding not less than 10 per cent. of the Adjusted Principal Balance of the relevant Class of Notes. The quorum for any meeting convened to consider an Extraordinary Resolution will be two-thirds of the Adjusted Principal Balance of such Class of Notes and at such a meeting an Extraordinary Resolution is adopted with not less than a two-third majority of the validly cast votes, except that the quorum required for an Extraordinary Resolution, including, the sanctioning of a Basic Terms Change shall be at least 75 per cent. of the amount of the Adjusted Principal Balance of the relevant Class of Notes and the majority required shall be at least 75 per cent. of the validly cast votes at that Extraordinary Resolution. If at such meeting the aforesaid quorum is not represented, a second meeting of holders of the relevant Class of Notes will be held within one month, with due observance of the

same formalities for convening the meeting which governed the convening of the first meeting; at such second meeting an Extraordinary Resolution is adopted with not less than a two-thirds majority of the validly cast votes, except that (i) for an Extraordinary Resolution relating to the sanctioning of a Basic Terms Change the majority required shall be 75 per cent. of the validly cast votes, regardless of the Adjusted Principal Balance of the relevant Class of Notes, and (ii) if the Extraordinary Resolution relates to the removal and replacement of any or all of the directors of the Trustee at least 30 per cent. of the relevant Class of Notes should be represented.

- (d) Any Extraordinary Resolution duly passed shall be binding on all Noteholders of the relevant Class (whether or not they were present at the meeting at which such resolution was passed).
- (e) An Extraordinary Resolution of the Class B Noteholders shall be effective when, *inter alia*, the Trustee is of the opinion that it will not be materially prejudicial to the interests of the A Noteholders or it is sanctioned by an Extraordinary Resolution of the A Noteholders. Except in relation to a Basic Term Change, the Trust Deed imposes no such limitations on the powers of the A Noteholders, the exercise of which will be binding on the B Noteholders, the C Noteholders, the D Noteholders and the E Noteholders irrespective of the effect on their interests.
- (f) An Extraordinary Resolution of the Class C Noteholders shall be effective when, *inter alia*, the Trustee is of the opinion that it will not be materially prejudicial to the interests of the A Noteholders or the B Noteholders or it is sanctioned by an Extraordinary Resolution of the A Noteholders and the B Noteholders. Except in relation to a Basic Term Change, the Trust Deed imposes no such limitations on the powers of the A Noteholders, the exercise of which will be binding on the Noteholders, D Noteholders and the E Noteholders, irrespective of the effect on their interests.
- (g) An Extraordinary Resolution of the D Noteholders shall be effective when, *inter alia*, the Trustee is of the opinion that it will not be materially prejudicial to the interests of the A Noteholders, the B Noteholders or the C Noteholders or it is sanctioned by an Extraordinary Resolution of the A Noteholders, the B Noteholders and the C Noteholders. Except in relation to a Basic Term Change, the Trust Deed imposes no such limitations on the powers of the A Noteholders, the B Noteholders and the C Noteholders, the exercise of which such powers will be binding on the D Noteholders and the E Noteholders, irrespective of the effect on their interests.
- (h) An Extraordinary Resolution of the E Noteholders shall be effective when, *inter alia*, the Trustee is of the opinion that it will not be materially prejudicial to the interests of the A Noteholders, the B Noteholders, the C Noteholders or the D Noteholders or it is sanctioned by an Extraordinary Resolution of the A Noteholders, the B Noteholders, the C Noteholders and the D Noteholders. Except in relation to a Basic Term Change, the Trust Deed imposes no such limitations on the powers of the A Noteholders, the B Noteholders, the C Noteholders and the D Noteholders, the exercise of which such powers will be binding on the E Noteholders, irrespective of the effect on their interests.

10.2 Modification and Waiver

As more fully set forth in the Trust Deed (and subject to the conditions and qualifications therein and subject to Rating Agency Confirmation), the Trustee may agree, without the consent of the Noteholders or any other Secured Party, to (i) any modification of any of the provisions of these Conditions, the Trust Deed or any other Transaction Document which is of a formal, minor or technical nature or which is made to correct a manifest or (to the satisfaction of the Trustee) proven error; (ii) any modification of any of the provisions of these Conditions, the Trust Deed or any other Transaction Document which is in the opinion of the Trustee not materially prejudicial to the interests of any of the Noteholders; and (iii) any waiver or authorisation of any breach or proposed breach of any of the provisions of these Conditions, the Trust Deed or any other Transaction Document which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on all the Noteholders and the other Secured Parties and, unless the Trustee agrees otherwise, any modification shall be notified to the Noteholders in accordance with Condition 12 (*Notices*) as soon as practicable thereafter.

10.3 Substitution

As more fully set forth in the Trust Deed (and subject to the conditions and qualifications therein) and subject to such amendment of the Trust Deed and the other Transaction Documents and to such other conditions as the Trustee may require, but without the consent of the Noteholders or any other Secured Party, the Trustee may agree to the substitution of another body corporate incorporated in any country in the world in place of the Issuer as principal debtor under the Trust Deed and the Notes (but without affecting the security arrangements relating to the Notes) provided that such substitution would not in the opinion of the Trustee be materially prejudicial to the interests of any of the Noteholders and that Rating Agency Confirmation has been obtained that such substitution would have no adverse effect on its then rating of the Notes, and in the case of such a substitution the Trustee may agree, without the consent of the Noteholders but with the consent of the Swap Counterparty, to a change of the law governing the Notes, the Trust Deed or any other Transaction Document provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of any of the Noteholders. Any such substitution shall be notified to the Noteholders in accordance with Condition 12 (*Notices*). No such substitution shall take effect unless it applies to all of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

11. Replacement

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the office of the relevant Paying Agent upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered, in the case of Notes together with all unmatured Coupons appertaining thereto, and in the case of Coupons together with the Note and all unmatured Coupons to which they appertain (*mantel en blad*), before replacements will be issued.

12. Notices

- (a) Unless stated otherwise in these Conditions all notices to the Noteholders and the holders of Coupons pertaining thereto will only be valid if published in the English language in at least one (1) daily newspaper of wide circulation in The Netherlands, or, if such newspaper shall cease to be published or timely publication therein shall not be

practicable, in such newspaper as the Security Trustee shall approve having a general circulation in Europe and, for as long as the Notes are listed on Euronext Amsterdam, in the English language in the Daily Official List (*Officiële Prijscourant*) of Euronext Amsterdam. Any such notice shall be deemed to have been given on the first date of such publication.

- (b) Any notice specifying an Interest Payment Date, a Rate of Interest, an Interest Amount or the Adjusted Principal Balance of a Note shall be deemed to have been duly given if the information contained in such notice appears on the relevant page of the Reuters Screen (as shall be notified to Noteholders and the holders of Coupons pertaining thereto by the Principal Paying Agents from time to time) or such other medium for the electronic display of data as may be previously approved in writing by the Trustee and notified to the Noteholders and the holders of Coupons pertaining thereto (the "**Relevant Screen**"). The information contained in such notice will also be made available at the offices of the Paying Agent in Amsterdam and shall be published in the Euronext Daily Official List (*Officiële Prijscourant*). Any such notice shall be deemed to have been given on the first date on which such information appeared on the Relevant Screen. If it is impossible or impracticable to give notice in accordance with this paragraph, then notice of the matters referred to in this Condition shall be given in accordance with Condition 12(a) (*Notices*) above.
- (c) Notices to holders of EN Notes may be given by delivery of the relevant notice to Euroclear Netherlands for communication to the relevant accountholders rather than by publication as required by Condition 12(a) (*Notices*). Any notice delivered to Euroclear Netherlands shall be deemed to have been given to the holders of EN Notes on date on which such notice is delivered to Euroclear Netherlands.
- (d) For so long as all of the CD Notes are represented by the CD Global Notes and such CD Global Notes are held on behalf of Euroclear and/or Clearstream Luxembourg, notices to the holders of CD Notes may be given by delivery of the relevant notice to Euroclear and/or Clearstream Luxembourg (as the case may be) for communication to the relevant accountholders rather than by publication as required by Condition 12(a) (*Notices*). Any such notice shall be deemed to have been given to the holders of the CD Notes on the seventh day after the day on which such notice is delivered to Euroclear and/or Clearstream Luxembourg (as the case may be) as aforesaid.
- (e) The Trustee shall be at liberty to sanction some other method of giving notice to the Noteholders, the holders of Coupons pertaining thereto or category of them if, in its opinion such other method is reasonable having regard to market practice then prevailing and provided that notice of such other method is given to the Noteholders and the holders of Coupons pertaining thereto in such manner as the Trustee shall require.

13. Trustee and Agents

- (a) The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to realise the Security for the Notes and to obtain payment of the Note unless indemnified or secured to its satisfaction.

- (b) Where in the exercise of its powers and discretions under these Conditions and the Trust Deed, the Trustee is required to have regard to the Noteholders (or any Class thereof), the Trustee will have regard to the interests of the Noteholders (or any such Class) as a class and will not be responsible for any consequence for individual holders of Notes as a result of such holders being connected in any way with a particular territory or taxing jurisdiction.
- (c) In acting under the Paying Agency and Agent Bank Agreement, and in connection with the Notes, the Paying Agents and the Agent Bank act solely as agents of the Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.
- (d) The Paying Agents and their specified offices are set out below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent or the Agent Bank and to appoint successor or additional paying agents or a successor agent bank, provided that the Issuer shall at all times maintain (a) a Paying Agent in The Netherlands, and (b) an Agent Bank. Notice of any change in the Paying Agents, in the specified office of any Paying Agent or in the Agent Bank shall promptly be given to the Noteholders in accordance with Condition 12 (*Notices*).

14. Notifications and Other Matters to be Final

Notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of the Notes, whether by the Issuer, the Trustee, the Cash Administrator or the Agent Bank shall (in the absence of wilful default, gross negligence or manifest error) be binding on the Issuer, the Trustee, the Agent Bank, the Paying Agents, all Noteholders and (subject as aforesaid) no liability to the Issuer or the Noteholders shall attach to the Paying Agents, the Agent Bank, the Cash Administrator or the Trustee in connection with the exercise or non-exercise by them of their powers, duties and discretions.

15. Governing Law and Jurisdiction

15.1 Governing Law

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

15.2 Jurisdiction

The Issuer has agreed in the Trust Deed for the benefit of the Trustee and the Noteholders that the competent court in Amsterdam, The Netherlands, is to have exclusive jurisdiction (subject to the right of the Trustee and the Noteholders to bring proceedings in any court which has jurisdiction) to settle any dispute (including claims for set-off and counterclaims) which may arise in connection with the creation, validity, effect, interpretation or performance of, or the legal relationships established by, the Trust Deed, the Notes, the Coupons or otherwise arising in connection with the Trust Deed, the Notes, the Coupons and for such purposes irrevocably submits to the jurisdiction of the English courts.

The Issuer irrevocably waives in the Trust Deed any objection to the jurisdiction of any court to whose jurisdiction it submits in accordance with the Trust Deed. The Issuer hereby irrevocably agrees that a judgment or order of any such court in connection with the Trust Deed is

conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

16. Addresses

The addresses of the CD Principal Paying Agent, the EN Principal Paying Agent, the CD Paying Agent and the EN Paying Agent are as follows:

CD Principal Paying Agent: Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom

EN Principal Paying Agent: Croeselaan 18, 3521 CB Utrecht, The Netherlands

CD Paying Agent: Herengracht 450-454, 1017 CA Amsterdam, The Netherlands

EN Paying Agent: Croeselaan 18, 3521 CB Utrecht, The Netherlands

ANNEX A - DEFINITIONS SCHEDULE

The definitions below are an extract from Schedule 1 of the Master Definitions and Common Terms Agreement and will be annexed to the Conditions. See the Index of Defined Terms at the end of this Prospectus for the page references in respect of terms defined in the Swap Confirmation or the terms that are not defined in this Annex A.

The "**Additional Floating Amount**" has the meaning ascribed thereto in the Swap Confirmation.

"**Adjusted Notional Amount**" has the meaning ascribed thereto in the Swap Confirmation.

"**Adjusted Principal Balance**" means:

- (a) with respect to any Class of Notes on any date, an amount equal to:
 - (i) the Initial Principal Balance of such Class of Notes; minus
 - (ii) the aggregate amount applied in reduction of the Adjusted Principal Balance of such Class (if any) on or before such date or time in accordance with Condition 5.6 (*Reduction of Adjusted Principal Balance*); minus
 - (iii) the aggregate amount of payments, if any, of principal made in respect of such Class of Notes on or before such date or time; and
- (b) with respect to a Note of any Class on any date, the Adjusted Principal Balance of the Notes of such Class on such date divided by the number of Notes of such Class.

"**Advance Fixed Amounts**" means any amounts described in items (b)(i)(A) and (b)(i)(C) of the definition of Fixed Amounts.

"**Appraisal Guidelines**" has the meaning ascribed thereto in the Swap Confirmation.

"**Appraisers**" has the meaning ascribed thereto in the Swap Confirmation.

"**Available Income Funds**" on any Interest Payment Date means (a) the Fixed Amount paid on such Interest Payment Date, plus (b) the Issuer CD Income to be paid to the Issuer on such Interest Payment Date, plus (c) the income received by the Issuer during the Interest Period ending on such Interest Payment Date in relation to any amounts standing to the credit of the Reserve Account, plus (d) the Advance Fixed Amounts, if any, provided that the Advance Fixed Amounts can only be applied for the payment of the amounts listed in items (1) through (7) of the Available Income Funds Priority of Payments (and to the extent not so applied, shall remain deposited in the Issuer Account).

"**Available Income Funds Priority of Payments**" means, in respect of payments to be made on an Interest Payment Date, the following order of priority:

- (1) by retaining an amount equal to the higher of (i) € 625 (i.e. € 2,500 per annum) and (ii) 2.5 per cent. (i.e. 10 per cent. per annum) of the annual amount due and payable by the Issuer to its Director in connection with the Issuer Management Agreement, representing taxable income for corporate income tax purposes in The Netherlands, for deposit into the Issuer Capital Account of which a part is to be applied towards satisfaction of the Issuer's corporate income tax liability from time to time;
- (2) to pay any Budgeted Operating Expenses and any Exceptional Expenses (each as defined below) due and unpaid to the Trustee on such Interest Payment Date;

- (3) to pay or provide for any tax liabilities then due and incurred by, or assessments made against, the Issuer (other than any Dutch corporate income tax in relation to the amounts equal to the minimum profit referred to in paragraph (1) above);
- (4) to pay *pari passu* to the relevant parties (other than the Trustee) the Budgeted Operating Expenses then due and unpaid on such Interest Payment Date;
- (5) to pay any accrued and unpaid interest on each Class of Notes on such Interest Payment Date in the Order of Seniority;
- (6) to pay *pari passu* to the Operating Creditors (as defined below) (other than the Trustee) any Exceptional Expenses then due and unpaid on such Interest Payment Date;
- (7) to pay into the Reserve Account an amount equal to the amount (if any) required to bring the balance of the Reserve Account up to the Required Reserve Amount; and
- (8) to pay to the Swap Counterparty the Additional Floating Amount due and unpaid on such date.

"Available Redemption Funds" means (a) all amounts available to the Issuer from realisation of the Cash Deposit, and any amount standing to the credit of the Reserve Account (excluding income in relation thereto) and (b) in respect of the final Interest Payment Date only, the sum of the remaining balance, if any, of Available Income Funds after application thereof in accordance with the Available Income Funds Priority of Payments (including, for the avoidance of doubt, any remaining Advance Fixed Amounts).

"Available Redemption Funds Priority of Payments" means the following order of priority:

- (1) to pay any Budgeted Operating Expenses and any Exceptional Expenses then due and unpaid to the Trustee on such Interest Payment Date (to the extent not paid out of Available Income Funds);
- (2) to pay or provide for any tax liabilities then due and incurred by, or assessments made against, the Issuer (to the extent not paid out of Available Income Funds);
- (3) to pay *pari passu* to the Operating Creditors (other than the Trustee) any Budgeted Operating Expenses then due and unpaid on such Interest Payment Date (to the extent not paid out of Available Income Funds);
- (4) to pay to the Swap Counterparty the aggregate amount of Credit Protection Amounts, if any, due and unpaid on such Interest Payment Date;
- (5) to make payments of principal then due on each Class of Notes, calculated at their Adjusted Principal Balance, in the Order of Seniority;
- (6) to pay *pari passu* to the Operating Creditors (other than the Trustee) any Exceptional Expenses then due and unpaid on such Interest Payment Date (to the extent not paid out of Available Income Funds);
- (7) to pay *pari passu* to the Cash Deposit Bank any break costs in accordance with the provisions of the Cash Deposit Agreement; and
- (8) to pay to the Swap Counterparty the Additional Floating Amount due and unpaid on such date.

"Basic Term Change" has the meaning ascribed thereto in Condition 10.1.

"Budgeted Operating Expenses" means any anticipated fees and expenses payable by the Issuer on any Interest Payment Date to any Operating Creditor, to the extent that the aggregate of such fees and expenses does not exceed, on any Interest Payment Date EUR 100,000. Any amounts in excess thereof shall be deemed to be Exceptional Expenses payable under item (6) of the Available Income Funds Priority of Payments and item (6) of the Available Redemption Funds Priority of Payments as applicable.

"business day" means any TARGET Settlement Day which is a day, other than a Saturday or Sunday on which banking institutions in Amsterdam are generally open for commercial business.

"Calculation Agent" means the Calculation Agent under the Credit Default Swap and any successor.

"Cash Administration Agreement" means the cash administration agreement dated the Signing Date and made between the Issuer, the Cash Administrator and the Trustee.

"Cash Deposit" means the deposit made by the Issuer pursuant to the terms of the Cash Deposit Agreement and interest thereon in certain circumstances.

"Cash Deposit Bank" means a bank, having the Cash Deposit Bank Required Rating, with whom the Cash Deposit is held pursuant to the Cash Deposit Agreement (including any replacement bank in respect thereof). The Cash Deposit Bank shall initially be Rabobank Nederland.

"Cash Deposit Bank Required Rating" means a short-term credit rating of at least P-1 from Moody's, F1+ from Fitch and A-1+ from S&P and a long-term credit rating of at least A1 from Moody's.

"Cash Deposit Agreement" means the cash deposit agreement made between the Issuer, the Cash Deposit Bank, the Cash Administrator and the Trustee dated the Signing Date or, upon the occurrence of a CD Replacement Date, the cash deposit agreement replacing the initial cash deposit agreement.

"Cash Deposit Termination Event" means the Cash Deposit Agreement being terminated in whole or in part and not being replaced by a replacement Cash Deposit Agreement in accordance with the terms of the Cash Administration Agreement.

"Cash Settlement Amount" has the meaning ascribed thereto in the Swap Confirmation.

"Cash Settlement Date" has the meaning ascribed to that term in the Swap Confirmation.

"CD Global Notes" has the meaning ascribed thereto in Condition 1.3.

"CD Notes" has the meaning ascribed thereto in Condition 1.3.

"CD Permanent Global Note" has the meaning ascribed thereto in Condition 1.3.

"CD Temporary Global Note" has the meaning ascribed thereto in Condition 1.3.

"Class B Definitive Notes" has the meaning ascribed thereto in Condition 1.3.

"Class C Definitive Notes" has the meaning ascribed thereto in Condition 1.3.

"Class D Definitive Notes" has the meaning ascribed thereto in Condition 1.3.

"Class E Definitive Notes" has the meaning ascribed thereto in Condition 1.3.

"Clearstream Luxembourg" means Clearstream Banking, société anonyme.

"Closing Date" means 14 December 2007.

"Conditions" means the terms and conditions of the Notes.

"Conditions to Settlement" has the meaning ascribed thereto in the Swap Confirmation.

"Coupons" has the meaning ascribed thereto in Condition 1.3.

"Corresponding Class" has the meaning ascribed thereto in Condition 2.3.

"CPA Tranche Allocation Amount" has the meaning ascribed thereto in the Swap Confirmation.

"Credit Default Swap" means the credit default swap transaction to be entered into on the Signing Date between, *inter alios*, the Issuer and the Swap Counterparty and documented under an ISDA Master Agreement (Multicurrency - Cross Border) together with a schedule and the confirmation of even date therewith relating thereto together with any agreement for the time being in force amending or supplementing such transaction or agreement.

"Credit Definitions" means the 2003 ISDA Credit Derivatives Definitions, as supplemented by the May 2003 Supplement, each as published by ISDA and in effect as at the Signing Date.

"Credit Event Notice" has the meaning ascribed thereto in the Swap Confirmation.

"Credit Events" has the meaning ascribed thereto in the Swap Confirmation.

"Credit Protection Amount" has the meaning ascribed thereto in the Swap Confirmation.

"Cumulative Loss Amount" has the meaning ascribed thereto in the Swap Confirmation.

"Day Count Fraction" means the actual number of days in the Interest Period or other relevant period in respect of which payment is being made divided by 360.

"Defaulted Reference Obligation" has the meaning ascribed thereto in the Swap Confirmation.

"Definitive Notes" has the meaning ascribed thereto in Condition 1.3.

"Distributable Principal Amount" means, as of any date of determination, an amount equal to the aggregate Adjusted Principal Balance of the Notes on such determination date (before giving effect to any adjustments applicable thereto on such date) minus the Maximum Noteholder Contribution Liability.

"Early Termination Date" any date designated as such under the Credit Default Swap.

"Effective Date" has the meaning ascribed thereto in the Swap Confirmation.

"Enforcement Date" means the date on which an Enforcement Notice is given.

"Enforcement Notice" has the meaning ascribed thereto in Condition 8.

"EN Global Notes" has the meaning ascribed thereto in Condition 1.2.

"EN Notes" has the meaning ascribed thereto in Condition 1.2.

"EN Permanent Global Note" has the meaning ascribed thereto in Condition 1.2.

"EN Temporary Global Note" has the meaning ascribed thereto in Condition 1.2.

"Estimated Reference Obligation" has the meaning ascribed thereto in the Swap Confirmation.

"Euroclear" means Euroclear Bank S.A./N.V. as operator of the Euroclear System.

"Euroclear Netherlands" means Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.

"Euronext Amsterdam" means Euronext Amsterdam N.V. or Eurolist by Euronext Amsterdam N.V. (as appropriate).

"Event of Default" has the meaning ascribed thereto in Condition 8.

"Exchange Date" has the meaning ascribed thereto in Condition 1.3.

"Exceptional Expenses" means any fees, expenses, out of pocket expenses, costs, liabilities or indemnity amounts or any other amounts which are incurred or claimed by any Operating Creditor which are not Budgeted Operating Expenses.

"Extraordinary Resolution" has the meaning ascribed thereto in Condition 10.1.

"Fifth Loss Tranche" has the meaning ascribed thereto in the Swap Confirmation.

"Final Maturity Date" has the meaning ascribed thereto in Condition 5.7.

"Final Redemption Date" means the date which is the earlier of (a) the Interest Payment Date upon which the Notes have been redeemed in full, and (b) the Final Maturity Date.

"First Loss Tranche" has the meaning ascribed thereto in the Swap Confirmation.

"Fitch" means Fitch, Inc. and its subsidiaries and any successor or successors thereto.

"Fixed Amount" has the meaning ascribed thereto in the Swap Confirmation.

"Fixed Rate Payer Payment Date" has the meaning ascribed thereto in the Swap Confirmation.

"Fourth Loss Tranche" has the meaning ascribed thereto in the Swap Confirmation.

"Global Notes" has the meaning ascribed thereto in Condition 1.3.

"Holder" has the meaning ascribed thereto in Condition 1.

"Increased Cost" means any circumstance or tax charge to which the Issuer is or will, on reasonable grounds, be subject or other imposition by The Netherlands or any other jurisdiction which would materially increase the costs to it of complying with its obligations under the Trust Deed or under the Notes of any Class or materially increase the operating or administrative expenses of the Issuer or reduce the amount of any sums received or receivable by the Issuer or otherwise oblige the Issuer to make any payment or, or calculated by reference to, the amount of any sum received or receivable by the Trustee or the Security Trustee on behalf of the Issuer as contemplated in the Trust Deed.

"Independent Accountants" has the meaning ascribed thereto in the Swap Confirmation.

"Independent Appraiser" has the meaning ascribed thereto in the Swap Confirmation.

"Initial Notional Amount" has the meaning ascribed thereto in the Swap Confirmation.

"Initial Principal Balance" means (a) in respect of the Class A Notes, EUR 7,132,500,000, (b) in respect of the Class B Notes, EUR 123,750,000, (c) in respect in respect of the Class C Notes, EUR 75,000,000, (d) in respect of the Class D Notes, EUR 120,000,000 and (e) in respect of the Class E Notes, EUR 48,750,000, in respect of all the Notes, the aggregate thereof and, with

respect to a Note of any Class, the Initial Principal Balance of the Notes of such Class divided by the number of Notes of such Class.

"Initial Recovery Period" has the meaning ascribed thereto in the Swap Confirmation.

"Initial Reference Portfolio" has the meaning ascribed thereto in the Swap Confirmation.

"Interest Amount" has the meaning ascribed thereto in Condition 4.5.

"Interest Determination Date" has the meaning ascribed thereto in Condition 4.4.

"Interest Payment Date" has the meaning ascribed thereto in Condition 4.1.

"Interest Period" has the meaning ascribed thereto in Condition 4.2.

"ISDA" means the International Swaps and Derivatives Association, Inc.

"Issuer Account" means the account in the name of the Issuer (initially held with Rabobank Nederland) into which the Issuer deposits the Issuer CD Income, the Fixed Payments and other operating funds.

"Issuer Account Bank" means a bank, having the Issuer Account Bank Required Rating, with whom the Issuer Account is held (including any replacement bank in respect thereof). The Issuer Account Bank shall initially be Rabobank Nederland.

"Issuer Account Bank Required Rating" means a short-term credit rating of at least P-1 from Moody's, F1+ from Fitch and A-1+ from S&P and a long-term credit rating of at least A1 from Moody's.

"Issuer Account Pledge" means the pledge agreement dated the Closing Date made by the Issuer in favour of the Trustee in respect of the Issuer Account, the Reserve Account and the Cash Deposit.

"Issuer Capital Account" means an account in the name of the Issuer with Rabobank Nederland into which the EUR 18,000 paid-up share capital (*gestort aandelenkapitaal*) has been deposited.

"Issuer CD Income" means (i) periodic income payments to be made to the Issuer on each Interest Payment Date pursuant to the Cash Deposit Agreement and (ii) any interest received by the Issuer in respect of the Reserve Account and the Issuer Account.

"Issuer Rights Pledge" means the pledge agreement dated the Closing Date made by the Issuer in favour of the Trustee in respect of the Issuer's rights under the Transaction Documents.

"Issuer's Priority of Payments" means, in respect of any payment to be made by the Issuer before the delivery of an Enforcement Notice, the Available Income Funds Priority of Payments and the Available Redemption Funds Priority of Payments (as the case may be) or, in respect of any payment to be made by the Issuer thereafter, the Post-Enforcement Priority of Payments.

"Loss Amount" has the meaning ascribed thereto in the Swap Confirmation.

"Master Definitions and Common Terms Agreement" means the master definitions and common terms agreement dated the Signing Date, as the same may be amended or supplemented from time to time, and made between the Issuer and the other parties to the Transaction Documents (as defined herein).

"Maximum Noteholder Contribution Liability" means as of any Interest Payment Date, the Outstanding Claims Amount, as determined by the Calculation Agent minus the greater of (x) zero and (y) the Reserve Account Balance as at the relevant Interest Payment Date.

"Moody's" means Moody's Investors Service, Inc. or any successor thereto.

"Most Senior Class of Notes" has the meaning ascribed thereto in Condition 2.1.

"Non-Conforming Reference Obligation" has the meaning ascribed thereto in the Swap Confirmation.

"Noteholder" has the meaning ascribed to it in Condition 1.

"Notes" means the EUR 7,132,500,000 Class A Notes, the EUR 123,750,000 Class B Notes, the EUR 75,000,000 Class C Notes, the EUR 120,000,000 Class D Notes and the EUR 48,750,000 Class E Notes, issued by the Issuer.

"Operating Creditor" means any of (1) the Trustee, (2) any Agent, (3) the Cash Administrator, (4) any of the Directors, (5) any stock exchange on which the Issuer's Notes are listed, (6) the Issuer's auditors, legal advisers and tax advisers, and any recipient of any Chamber of Commerce fees payable by the Issuer, (7) any Rating Agency, (8) any independent experts or independent calculation agent appointed under the Credit Default Swap, (9) the Cash Deposit Bank, (10) any other creditor (other than the Noteholders and the Swap Counterparty) from time to time of the Issuer (and including any amounts of value added tax or other taxes due to any applicable revenue authorities).

"Optional Termination Date" has the meaning ascribed thereto in the Swap Confirmation.

"Order of Seniority" means the order in which any principal amounts owing to the Noteholders are paid or any reinstatement of the Adjusted Principal Balance of the Notes or the Adjusted Notional Amount of the Tranches is applied, being, *first*, to the Class A Notes or the Sixth Loss Tranche, *second* to the Class B Notes or the Fifth Loss Tranche, as the case may be, *third* to the Class C Notes or the Fourth Loss Tranche, as the case may be, *fourth*, to the Class D Notes or the Third Loss Tranche, as the case may be, and *fifth*, to the Class E Notes or the Second Loss Tranche.

"Outstanding Claims Amount" means in respect of any Interest Payment Date, the sum of the aggregate Reference Obligation Notional Amounts of each Reference Obligation (then included in the Reference Portfolio) that has become an Outstanding Defaulted Reference Obligation and in respect of which a Loss Amount has not been determined or the Reporting Date immediately prior to such Interest Payment Date.

"Outstanding Defaulted Reference Obligation" means a Defaulted Reference Obligation that has not become a Worked Out Reference Obligation by the Termination Date.

"Owner" has the meaning ascribed thereto in the Swap Confirmation.

"Parent" means Stichting BEST SME 2007, a foundation (*stichting*) established under the laws of The Netherlands and holding all of the outstanding share capital of the Issuer.

"Paying Agency and Agent Bank Agreement" means the Paying Agency and Agent Bank Agreement dated the Signing Date between the Issuer, the Agent Bank, the CD Principal Paying Agent, the EN Principal Paying Agent, the CD Paying Agent and the EN Paying Agent.

"Portfolio Composition Date" has the meaning ascribed thereto in the Swap Confirmation.

"Portfolio Notional Amount" has the meaning ascribed thereto in the Swap Confirmation.

"Post-Enforcement Funds" means the funds available following enforcement of the security pursuant to Condition 2.2.

"Post-Enforcement Priority of Payments" means payments made in the following order of priority on the relevant date:

- (1) to pay any Budgeted Operating Expenses and Exceptional Expenses then due and unpaid to the Trustee on such date;
- (2) to pay or provide for any tax liabilities due or incurred by, or assessments made against, the Issuer on such date;
- (3) to pay to the Swap Counterparty the aggregate amount of Credit Protection Amounts, if any, due and unpaid on such date;
- (4) to pay *pari passu* and *pro rata* according to the amount then payable all principal (calculated at the Adjusted Principal Balance thereof) and interest then due and unpaid in respect of the Class A Notes, applying the payment first to interest and then to principal;
- (5) to pay *pari passu* and *pro rata* according to the amount then payable all principal (calculated at the Adjusted Principal Balance thereof) and interest then due and unpaid in respect of the Class B Notes, applying the payment first to interest and then to principal;
- (6) to pay *pari passu* and *pro rata* according to the amount then payable all principal (calculated at the Adjusted Principal Balance thereof) and interest then due and unpaid in respect of the Class C Notes, applying the payment first to interest and then to principal;
- (7) to pay *pari passu* and *pro rata* according to the amount then payable all principal (calculated at the Adjusted Principal Balance thereof) and interest then due and unpaid in respect of the Class D Notes, applying the payment first to interest and then to principal;
- (8) to pay *pari passu* and *pro rata* according to the amount then payable all principal (calculated at the Adjusted Principal Balance thereof) and interest then due and unpaid in respect of the Class E Notes, applying the payment first to interest and then to principal;
- (9) to pay *pari passu* to the Operating Creditors (other than the Trustee) any Budgeted Operating Expenses and Exceptional Expenses then due and unpaid on such date;
- (10) to pay *pari passu* to the Cash Deposit Bank any break costs pursuant to the terms of the Cash Deposit Agreement; and
- (11) to pay to the Swap Counterparty the Additional Floating Amount due and unpaid on such date

"Prudent Lender" has the meaning ascribed thereto in the Swap Confirmation.

"Rabobank International" means Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., London Branch, trading as Rabobank International, acting through its registered office at Thames Court, One Queenhithe, London, EC4V 3RL, The United Kingdom.

"Rabobank Nederland" means Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., a cooperative with limited liability (*coöperatie met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its registered office at Croeselaan 18, 3521 CB Utrecht, The Netherlands (trading as Rabobank Nederland).

"Rate of Interest" has the meaning ascribed thereto in Condition 4.4.

"Rating Agencies" means each of Moody's, Fitch and S&P.

"Rating Agency Confirmation" means, with respect to any specified action or determination, receipt of a written confirmation from each of S&P and Fitch, if and to the extent that it rates any Class of Notes at such time, that such specified action or determination will not have an adverse effect on, or result in the reduction or withdrawal of, its then current ratings of such Notes.

"Recoveries" has the meaning ascribed thereto in the Swap Confirmation.

"Redemption Amount" means any amount of principal paid in redemption of the Notes pursuant to Conditions 5.1 (*Expected Redemption*), 5.2 (*Amortised Redemption*), 5.3 (*Redemption for Tax Reasons*) or 5.8 (*Final Redemption*).

"Redemption Date" means any date on which any of the Notes are redeemed, in whole or in part, pursuant to Condition 5.

"Reduction Amount" means the Aggregate Adjusted Nominal Amount reduced by an amount equal to (x) the Aggregate Adjusted Nominal Amount immediately prior to a Fixed Rate Payment Date less (y) the Maximum Noteholder Contribution Liability on such Fixed Rate Payer Payment Date and calculated on the Termination Date and on each Fixed Rate Payer Payment Date thereafter.

"Reference Amount" has the meaning ascribed thereto in the Swap Confirmation.

"Reference Entity" has the meaning ascribed thereto in the Swap Confirmation.

"Reference Obligations" has the meaning ascribed thereto in the Swap Confirmation.

"Reference Obligation Aggregate Outstanding Amount" has the meaning ascribed thereto in the Swap Confirmation.

"Reference Obligation Notional Amount" has the meaning ascribed thereto in the Swap Confirmation.

"Reference Portfolio" has the meaning ascribed thereto in the Swap Confirmation.

"Reference Registry" has the meaning ascribed thereto in the Swap Confirmation.

"Regulatory Change" has the meaning ascribed thereto in the Swap Confirmation.

"Regulatory Change Option" has the meaning ascribed thereto in the Swap Confirmation.

"Relevant Margin" has the meaning ascribed thereto in Condition 4.4.

"Relevant Screen" has the meaning ascribed thereto in Condition 12.

"Replacement Cash Deposit Pledge" has the meaning given to it in Condition 2.2.

"Reporting Date" has the meaning ascribed thereto in the Swap Confirmation.

"Reporting Period" has the meaning ascribed thereto in the Swap Confirmation.

"Required Reserve Amount" has the meaning ascribed thereto in the Swap Confirmation.

"Reserve Account" means the account in the name of the Issuer (initially held with Rabobank Nederland) into which the Reserve Account Funding Amount will be deposited.

"Reserve Account Balance" has the meaning ascribed thereto in the Swap Confirmation.

"Reserve Account Bank" means a bank, having the Reserve Account Bank Required Rating, with whom the Reserve Account is held (including any replacement bank in respect thereof). The Reserve Account Bank shall initially be Rabobank Nederland.

"Reserve Account Bank Required Rating" means a short-term credit rating of at least P-1 from Moody's, F1+ from Fitch and A-1+ from S&P and a long-term credit rating of at least A1 from Moody's.

"Reserve Account Funding Amount" has the meaning ascribed thereto in the Swap Confirmation.

"Residual Class" has the meaning ascribed thereto in Condition 7.1.

"Reverse Order of Seniority" means the order in which any amount by which the Adjusted Notional Amount of the Tranches or the Adjusted Principal Balance of the Notes is to be reduced, is attributed to each Tranche or Class of Notes being, (a) to the First Loss Tranche or Class E Notes until the Adjusted Notional Amount of Adjusted Principal Balance thereof is reduced to EUR zero; (b) to the Second Loss Tranche or the Class D Notes until the Adjusted Notional Amount of Adjusted Principal Balance thereof is reduced to zero; (c) to the Third Loss Tranche or the Class C Notes, as the case may be until the Adjusted Notional Amount or Adjusted Principal Balance thereof is reduced to zero; (d) to the Fourth Loss Tranche or the Class B Notes until the Adjusted Notional Amount or the Adjusted Principal Balance thereof is reduced to zero; (e) to the Fifth Loss Tranche or the Class A Notes until the Adjusted Notional Amount or the Adjusted Principal Balance thereof is reduced to zero.

"S&P" means Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies Inc. or any successor thereto.

"Scheduled Maturity Date" has the meaning ascribed thereto in Condition 5.1.

"Scheduled Termination Date" has the meaning ascribed thereto in the Swap Confirmation.

"Screen Rate" has the meaning ascribed thereto in Condition 4.4.

"Second Loss Tranche" has the meaning ascribed thereto in the Swap Confirmation.

"Second Meeting" has the meaning ascribed thereto in Condition 10.1.

"Secured Parties" means the ultimate beneficiaries of the security constituted by the Issuer Rights Pledge, the Issuer Account Pledge, the Replacement Cash Deposit Pledge (if any) (including without limitation the Noteholders, the Swap Counterparty, the Trustee, the Calculation Agent, the Agents, the Cash Deposit Bank, the Issuer Account Bank, the Reserve Account Bank, the Manager, the Directors and the Cash Administrator).

"Secured Property" has the meaning ascribed thereto in Condition 2.2.

"Securities Act" has the meaning ascribed thereto in Condition 1.4.

"Security" has the meaning ascribed thereto in Condition 2.2.

"Security Documents" means (i) the Issuer Rights Pledge; (ii) the Issuer Account Pledge; (iii) and the Replacement Cash Deposit Pledge.

"Signing Date" means 11 December 2007.

"Subscription Agreement" means the subscription agreement dated the Signing Date made between the Issuer and Rabobank International.

"Swap Confirmation" means the credit default swap confirmation in respect of the Credit Default Swap.

"Swap Notional Amount" has the meaning ascribed thereto in the Swap Confirmation.

"Swap Termination Option" means the Regulatory Change Option or the Clean-up Option.

"TARGET Settlement Day" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

"Tax Redemption Date" has the meaning ascribed thereto in Condition 5.3.

"Tax Redemption Event" has the meaning ascribed thereto in Condition 5.3.

"Tax Swap Termination Event" has the meaning ascribed thereto in the Credit Default Swap.

"Termination Date" has the meaning ascribed thereto in the Swap Confirmation.

"Third Loss Tranche" has the meaning ascribed thereto in the Swap Confirmation.

"Tranche" has the meaning ascribed thereto in the Swap Confirmation.

"Transaction Documents" means the Credit Default Swap, the Cash Deposit Agreement, the Trust Deed, the Security Documents, the Paying Agency and Agent Bank Agreement, the Subscription Agreement, the Master Definitions and Common Terms Agreement, the Management Agreements and the Cash Administration Agreement.

"Trust Deed" means the Trust Deed dated the Closing Date between the Issuer and the Trustee.

"Worked Out Reference Obligation" has the meaning ascribed thereto in the Swap Confirmation.

15. NOTES IN GLOBAL FORM

The statements set out below include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Conditions.

15.1 Global Notes

Title to the Global Notes will pass by delivery. The holder of any Global Note may (except as ordered by a court of a competent jurisdiction or otherwise required by law) be treated at all times by the Issuer, the Trustee and each Paying Agent as the absolute owner of the Global Note for the purposes of making payments thereon and none of the Issuer, the Trustee and each Paying Agent shall be liable for so treating such holder.

15.2 EN Notes

The EN Notes will upon issue be represented by an EN Temporary Global Note deposited with Euroclear Netherlands on or about the Closing Date.

Such EN Temporary Global Note will be exchangeable not earlier than 40 days but no later than 90 days after the later of the Closing Date and the commencement of the offering of the Notes upon receipt by the Issuer of certification of non-US beneficial ownership from Euroclear Netherlands for interests in an EN Permanent Global Note for the Class of A Notes, which will also be deposited with Euroclear Netherlands.

Interests in the EN Permanent Global Note are not exchangeable for definitive notes and a holder of EN Notes shall not have the right to request withdrawal thereof under the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*).

Interests in the Notes represented by the EN Global Note will be transferable only in accordance with the Dutch Securities Giro Transfer Act and in accordance with the rules and procedures for the time being for Euroclear Netherlands. Deliveries will take place in accordance with the Dutch Securities Giro Transfer Act. Except as ordered by a court of competent jurisdiction or as required by law or applicable regulations, the Issuer and the Paying Agent may (a) for the purpose of payment of principal and interest on the EN Notes, treat the bearer of the relevant EN Global Note as the holder of the EN Notes, and (b) for all other purposes treat any person who is for the time being shown as the holder of a particular nominal amount of EN Notes in the records of Euroclear Netherlands or an admitted institution within the meaning of the Dutch Securities Giro Transfer Act (in which regard any certificate or other document issued by Euroclear Netherlands or such admitted institution shall be conclusive and binding except in the case of manifest error) as the holder of such nominal amount of EN Notes.

Notices to holders of EN Notes may be given by delivery of the relevant notice to Euroclear Netherlands for communication to the relevant accountholders rather than by publication as required by Condition 12(a) (*Notices*). Any notice delivered to Euroclear Netherlands shall be deemed to have been given to the holders of EN Notes on date on which such notice is delivered to Euroclear Netherlands.

15.3 CD Notes

The CD Notes will initially be represented by a CD Temporary Global Note deposited with the Common Depositary on or about the Closing Date.

Each such CD Temporary Global Note will be exchangeable on a date not earlier than 40 days but no later than 90 days after the later of the Closing Date and the commencement of the offering of the Notes upon receipt by the Issuer of certification of non-US beneficial ownership from Euroclear or Clearstream Luxembourg, as appropriate, for interests in a CD Permanent Global Note for the relevant Class of CD Notes. On the exchange of a CD Temporary Global Note for a CD Permanent Global Note of the relevant class, the CD Permanent Global Note will remain deposited with the Common Depositary. The Permanent CD Global Note will be exchangeable for Definitive Notes (as defined below) only in the limited circumstances described below.

For so long as the CD Notes are represented by a CD Global Note, the CD Notes will be transferable in accordance with the rules and procedures of Clearstream Luxembourg or Euroclear, as appropriate.

If after the Exchange Date (i) the CD Notes become immediately due and payable by reason of accelerated maturity following an Event of Default, or (ii) either Euroclear or Clearstream Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business and no alternative clearance system satisfactory to the Trustee is available, or (iii) as a result of any amendment to, or change in the laws or regulations of The Netherlands (or of any political subdivision thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or the CD Principal Paying Agent is or will be required to make any deduction or withholding on account of tax from any payment in respect of the CD Notes which would not be required were the CD Notes in definitive form, then the Issuer will at its sole cost and expense, issue:

- (i) Class B Definitive Notes;
- (ii) Class C Definitive Notes;
- (iii) Class D Definitive Notes; and
- (iv) Class E Definitive Notes.

Title to the Definitive Notes and Coupons will pass by delivery. The holder of any Definitive Note or Coupon may, to the fullest extent permitted by applicable law, be treated at all times, by all persons and for all purposes, including the making of any payments in respect of the Notes, as the absolute owner of that Definitive Note or Coupon regardless of any notice of ownership, destruction, theft or loss or of any trust or other interest in it or any writing on it. The holder of any Coupon (whether or not such Coupon is attached to the relevant Note) in his capacity as such shall be subject to and bound by all the provisions contained in the Note.

For so long as all of the CD Notes are represented by the CD Global Notes and such CD Global Notes are held on behalf of Euroclear and/or Clearstream Luxembourg, notices to the holders of CD Notes may be given by delivery of the relevant notice to Euroclear and/or Clearstream Luxembourg (as the case may be) for communication to the relevant accountholders rather than

by publication as required by Condition 12(a) (*Notices*). Any such notice shall be deemed to have been given to the holders of the CD Notes on the seventh day after the day on which such notice is delivered to Euroclear and/or Clearstream Luxembourg (as the case may be) as aforesaid.

16. **USE OF PROCEEDS**

The net proceeds from the issue of the Notes are expected to be EUR 7,500,000,000 in aggregate. Such proceeds will be used on the Closing Date by the Issuer to fund the initial Cash Deposit in accordance with the Cash Deposit Agreement pursuant to which such proceeds will be deposited with the Cash Deposit Bank.

17. NETHERLANDS TAXATION

The following summary outlines certain Netherlands tax consequences to holders of the Notes. The following summary is based on the current law and practice of The Netherlands, which is subject to changes that could prospectively or retrospectively affect the stated tax consequences.

Prospective holders of Notes who may be in any doubt as to their respective tax positions should consult their own professional advisors.

Withholding Tax

All payments under the Notes may be made free of withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority of or in The Netherlands.

Taxes on Income and Capital Gains

A holder of Notes will not be subject to any Netherlands taxes on income or capital gains in respect of the Notes, including such tax on any payment under the Notes or in respect of any gain realised on the disposal, deemed disposal or exchange of the Notes, provided that:

- (e) such holder is neither a resident nor deemed to be a resident of The Netherlands, nor, if he is an individual, has elected to be taxed as a resident of The Netherlands;
- (f) such holder does not have an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands and to which enterprise or part of an enterprise, as the case may be, the Notes are attributable; and
- (g) if such holder is an individual, such income or capital gain does not form "benefits from miscellaneous activities in The Netherlands" (*resultaat uit overige werkzaamheden in Nederland*), which would for instance be the case if the activities in The Netherlands with respect to the Notes exceed "normal active asset management" (*normaal, actief vermogensbeheer*).

A holder of Notes will not be subject to taxation in The Netherlands by reason only of the execution, delivery and/or enforcement of the Transaction Documents and the issue of the Notes or the performance by the Issuer of its obligations under the Transaction Documents or under the Notes.

Gift, Estate and Inheritance Taxes

No gift, estate or inheritance taxes will arise in The Netherlands with respect to an acquisition of Notes by way of a gift by, or on the death of, a holder of Notes who is neither resident, deemed to be resident nor treated (at the request of the beneficiary(y)(ies) of the gift or estate) as resident in The Netherlands, unless:

- (h) such holder at the time of the gift has or at the time of his death had an enterprise or an interest in an enterprise that is or was, in whole or in part, carried on through a permanent establishment or a permanent representative in The Netherlands and to which

enterprise or part of an enterprise, as the case may be, the Notes are or were attributable;
or

- (i) in the case of a gift of Notes by an individual who at the date of the gift was neither resident nor deemed to be resident in The Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in The Netherlands.

Turnover Tax

No Netherlands turnover tax will arise in respect of any payment in consideration for the issue of the Notes or with respect to any payment by the Issuer of principal, interest or premium (if any) on the Notes.

Other Taxes and Duties

No Netherlands registration tax, custom duty, capital tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, will be payable in The Netherlands in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including the enforcement of any foreign judgment in the Courts of The Netherlands) of the Transaction Documents or the performance by the Issuer of its obligations under the Transaction Documents or under the Notes.

European Union Tax Considerations

Under the EU Council Directive 2003/48/EU on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within his jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories have (agreed to) adopt(ed) similar measures.

18. **SUBSCRIPTION AND SALE**

Rabobank International in its capacity as arranger of the transaction and manager of the issue of the Notes (the "**Manager**") has entered into a subscription agreement dated 11 December 2007 (the "**Subscription Agreement**") with the Issuer and the Swap Counterparty upon the terms and subject to the conditions contained therein, pursuant to which the Manager has agreed to subscribe and pay for the Notes at their issue price of 100 per cent. of their principal amount. The Manager is entitled in certain circumstances to be released and discharged from its obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of: (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than Euro 43,000,000; and (iii) an annual net turnover of more than Euro 50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal person (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Manager; or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or the Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

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

The Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes, (a) as part of their distribution at any time or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of the Notes, within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after commencement of the offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

The Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("**FSMA**") received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

General

The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law; persons into whose possession this Prospectus comes are required by the Issuer and the Manager to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer, or an invitation to subscribe for or purchase, any Notes.

19. **GENERAL INFORMATION**

1. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. The issue of the Notes has been authorised by a written resolution of the sole managing director of the Issuer dated 7 December 2007.
2. The CD Notes have been accepted for clearance through Euroclear and Clearstream Luxembourg. The Common Code, International Securities Identification Number and Fondscore in respect of such Notes are as follows:

	Common Code	ISIN	Fondscore
Class B Notes	033229461	XS0332294619	614418
Class C Notes	033229666	XS0332296663	614419
Class D Notes	033229674	XS0332296747	614420
Class E Notes	033229682	XS0332296820	614421

The EN Notes have been accepted for clearance through Euroclear Netherlands. The Common Code, International Securities Identification Number and Fondscore in respect of such Notes are as follows:

	Common Code	ISIN	Fondscore
Class A Notes	033238274	NL0006133423	613342

3. Application has been made to list the Notes on Euronext Amsterdam. So long as any of the Notes are listed on Euronext Amsterdam and the rules of Euronext Amsterdam shall so require, the Issuer will maintain a paying agent in The Netherlands, which is expected to be Deutsche Bank AG, Amsterdam Branch in respect of the CD Notes and Rabobank Nederland in respect of the EN Notes.
4. There has been no material adverse change in the financial position or prospects of the Issuer and no significant change in the financial or trading position of the Issuer since 28 November 2007, being the date of its incorporation.
5. Ernst & Young, auditors of the Issuer has given and not withdrawn its written consent to the inclusion herein of its confirmation in the form and context in which it appears on page 68.
6. Since the last 12 months, there have not been any governmental, legal or arbitration proceedings (including, as far as the Issuer is aware, any such proceedings which are pending or threatened against the Issuer), which may have or have had significant effects on the Issuer's financial position or profitability.
7. The Articles of Association of the Issuer are incorporated herein by reference will be made available, free of charge, at the specified office of the CD Principal Paying Agent and the EN Principal Paying Agent.
8. In relation to this transaction the Issuer has on the date hereof entered into the Subscription Agreement referred to in "SUBSCRIPTION AND SALE" above which is or may be material.
9. Copies of the following documents may be inspected on weekdays during normal business hours at the offices of the Paying Agent specified on the back page of this Prospectus:
 - (a) this Prospectus; and

- (b) prior to the Closing Date drafts (subject to modification) and thereafter, executed versions of the following documents:
 - (i) the Trust Deed;
 - (ii) the Cash Administration Agreement;
 - (iii) the Master Definitions and Common Terms Agreement;
 - (iv) the Issuer Rights Pledge;
 - (v) the Issuer Account Pledge;
 - (vi) the Paying Agency and Agent Bank Agreement (including the respective forms of the Global Certificates, and the Individual Certificates);
 - (vii) the Credit Default Swap;
 - (viii) the Cash Deposit Agreement; and
 - (ix) the Management Agreements.
- 10. The Issuer is a newly formed entity which has not prepared financial statements as of the Closing Date. The audited financial statements of the Issuer prepared annually shall be made available, free of charge, at the specified offices of the Paying Agents.
- 11. This Prospectus constitutes a prospectus for the purpose of the Rules set forth in Euronext Rule Book, Book 1 (Harmonised Market Rules) Euronext Amsterdam and for the purposes of Directive 2003/71/EC of 4 November 2003.
- 12. Each individual auditor to the Issuer is a member of the Royal NIVRA (*Koninklijk Nederlands Instituut van Registeraccountants*).
- 13. The estimated aggregate costs of the transaction described in this Prospectus amount to approximately 0.1 per cent. of the proceeds of the Notes. The estimated aggregate costs of admitting the Notes to trading amounts to EUR 4,500.
- 14. This Prospectus has been approved by the Netherlands Authority for Financial Markets (*Autoriteit Financiële Markten*) in compliance with Directive 2003/71/EC of 4 November 2003.
- 15. The Issuer accepts responsibility for the information contained in this Prospectus other than the information referred to in the following paragraph. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information, except for the information for which Rabobank Nederland is responsible contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer accepts responsibility accordingly.

Rabobank Nederland accepts the responsibility solely for the information contained in the following sections of this Prospectus: "COÖPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A." and "RABOBANK'S LENDING AND COLLECTION POLICIES".
- 16. The principal source of payment of principal and interest on the Notes will be the Issuer's right to receive payments in respect of interest and principal in respect of the Cash Deposit (as defined herein) and its right to receive periodic payments pursuant to the Credit Default Swap. These sources have in the opinion of the Issuer characteristics that demonstrate capacity to service payments of principal and interest when due and payable under the Notes, although no

guarantee can be given that the actual payments received by the Issuer will be sufficient to make such payments under the Notes.

20. INDEX OF DEFINED TERMS

A Noteholders	74	Cash Deposit Bank	17, 28, 99
Account Bank.....	17	Cash Deposit Bank Required Rating .	28, 99
Additional Floating Amount	43, 97	Cash Settlement Amount	40, 99
Adjusted Notional Amount	43, 97	Cash Settlement Date.....	40, 99
Adjusted Principal Balance	97	CD Global Notes	19, 76, 99
Adjustment	41	CD Notes	76, 99
Adjustment Conditions.....	56	CD Paying Agent.....	18, 74
Adjustment Date.....	40	CD Permanent Global Note	19, 76, 99
Advance Fixed Amounts.....	97	CD Principal Paying Agent	18, 74
Affiliate	47	CD Replacement Date	52
Agent Bank.....	17, 74	CD Temporary Global Note	19, 76, 99
Agents	74	Class.....	19, 74
Aggregate Adjusted Notional Amount.....	43	Class A Notes	1, 74
Allocation Procedures	42	Class B Definitive Notes	77, 99
Amortisation Amount.....	41	Class B Notes.....	1, 74
Appraisal Guidelines	38, 97	Class C Definitive Notes	77, 99
Appraisers	38	Class C Notes.....	1, 74
Appraisers	97	Class D Definitive Notes	77, 99
Available Adjustment Amount.....	41	Class D Notes	1, 74
Available Income Funds	97	Class E Definitive Notes.....	77, 99
Available Income Funds Priority of Payments.....	29, 97	Class E Notes.....	1, 74
Available Redemption Funds	98	Clean-up Option	48
Available Redemption Funds Priority of Payments.....	30, 98	Clearstream Luxembourg	19, 76, 100
B Noteholders.....	74	Closing Date	1, 74, 100
Bankruptcy	35	Common Depositary.....	18, 76
Basic Term Change	98	Conditions.....	100
Basic Terms Change	91	Conditions to Settlement.....	36, 100
Budgeted Operating Expenses	99	Corresponding Class.....	81, 100
business day	4, 82, 99	Cost of Carry	37
C Noteholders.....	74	Coupons	77, 100
Calculation Agent.....	18, 99	Covered Expenses.....	45
Cash Administration Agreement..	52, 75, 99	CPA Tranche Allocation Amount ...	42, 100
Cash Administrator	17, 75	CRD	13
Cash Deposit	28, 99	Credit Default Swap	32, 74, 100
Cash Deposit Agreement.....	28, 99	Credit Definitions	100
		Credit Event Notice	36, 100
		Credit Events	35, 100

Credit Protection Amount	40, 100	Fitch	2, 101
Cumulative Loss Amount.....	40, 100	Fixed Amount	101
D Noteholders	74	Fixed Amounts	44
Day Count Fraction	100	Fixed Rate Payer Payment Date	45, 101
Defaulted Reference Obligation.....	36, 100	Fourth Loss Tranche	101
Definitive Notes	77, 100	Framework.....	13
Directive	16	FSMA	115
Director	17	Global Notes	19, 76, 101
Directors	17	Holder	101
Distributable Principal Amount	100	holder of a Note	78
E Noteholders.....	74	Increased Cost.....	101
Early Termination Date.....	47, 100	Independent Accountants.....	37, 101
Effective Date.....	32, 100	Independent Appraiser.....	37
Eligibility Criteria	55	Independent Apraiser	101
EN Global Notes	19, 75, 100	Ineligible Reference Obligation.....	41
EN Notes	75, 100	Initial Notional Amount.....	34, 101
EN Paying Agent.....	18, 74	Initial Principal Balance	101
EN Permanent Global Note.....	19, 75, 100	Initial Recovery Period.....	38, 102
EN Principal Paying Agent	18, 74	Initial Reference Portfolio	58, 102
EN Temporary Global Note	19, 75, 100	Insolvency Proceeding.....	11
Enforcement Date.....	100	Insolvency Proceedings	11
Enforcement Notice	89, 100	Interest Amount	84, 102
Estimated Future Recoveries.....	37	Interest Determination Date.....	82, 102
Estimated Reference Obligation.....	38, 100	Interest Payment Date.....	21, 81, 102
EUR.....	3	Interest Period.....	21, 82, 102
euro.....	3	ISDA	102
Euroclear	19, 76, 101	Issuer.....	1, 17, 68, 74
Euroclear Netherlands	19, 75, 101	Issuer Account	102
Euronext Amsterdam	1, 101	Issuer Account Bank.....	17, 53, 102
Event of Default	89, 101	Issuer Account Bank Required Rating ..	102
Exceptional Expenses.....	101	Issuer Account Pledge	20, 80, 102
Exchange Date	76, 101	Issuer Capital Account.....	54, 102
Extraordinary Resolution	101	Issuer CD Income	28, 102
Failure to Pay	35	Issuer Director	67
Fifth Loss Tranche	101	Issuer Management Agreement	67
Final Maturity Date	87, 101	Issuer Rights Pledge	20, 80, 102
Final Redemption Date	22, 101	Issuer's Priority of Payments	29, 102
First Loss Tranche.....	101	Listing Agent	18

Local Rabobanks	26	Rabobank	70
Loss Amount	38, 102	Rabobank Entity	47
Management Agreements.....	69	Rabobank Group.....	70
Manager.....	18, 114	Rabobank International.....	104
Master Definitions and Common Terms Agreement	75, 102	Rabobank Nederland	17, 105
Maximum Noteholder Contribution Liability	103	Rabobank Risk Rating	34
Modified Business Day Convention	38	Rabobank Servicer.....	45
Moody's	2, 103	Rabobank's Credit and Collection Policy	47
Most Senior Class of Notes.....	79, 103	Rate of Interest.....	82, 105
Non-Conforming Reference Obligation..	41, 103	Rated Notes.....	2
Note	74	Rating Agencies.....	2, 18, 105
Noteholder.....	78, 103	Rating Agency Confirmation.....	105
Noteholders	74	Rating Downgrade Event.....	45
Notes	1, 74, 103	Recoveries	38, 105
Notice Delivery Period.....	36	Redemption Amount.....	105
Operating Creditor	103	Redemption Date	47, 105
Optional Termination Date.....	48, 103	Reduction Amount.....	43, 105
Optional Termination Right	48	Reference Amount	33, 105
Order of Seniority	103	Reference Collateral	34
Outstanding Claims Amount.....	103	Reference Entity	32, 105
Outstanding Defaulted Reference Obligation	49, 103	Reference Obligation	33
Owner	34, 103	Reference Obligation Aggregate Outstanding Amount	33, 105
Parent.....	17, 103	Reference Obligation Notional Amount .	33, 105
Parent Director	67	Reference Obligations	105
Parent Management Agreement.....	67	Reference Portfolio.....	32, 105
Paying Agency and Agent Bank Agreement	74, 103	Reference Portfolio Annual Report	51
Paying Agents	74	Reference Portfolio Quarterly Report.....	50
Portfolio Composition Date	32, 103	Reference Registry	34, 105
Portfolio Criteria	56	Regulation S	3
Portfolio Notional Amount.....	42, 104	Regulatory Change	48, 105
Post-Enforcement Funds	81, 104	Regulatory Change Option	48, 105
Post-Enforcement Priority of Payments..	30, 104	Relevant Implementation Date	114
Prospectus Directive.....	114	Relevant Margin	83, 105
Prudent Lender	47, 104	Relevant Member State.....	114
		Relevant Screen	94, 105
		Replacement Cash Deposit Pledge	20, 80, 105

Reporting Date	33, 105	Servicing Principles	45
Reporting Period	37, 105	Signing Date	107
Required Reserve Amount	42, 106	Subscription Agreement	107, 114
Reserve Account	28, 106	Swap Confirmation	107
Reserve Account Balance	42, 106	Swap Counterparty	17, 74
Reserve Account Bank	17, 28, 106	Swap Notional Amount	40, 107
Reserve Account Bank Required Rating	28, 106	Swap Termination Option	107
Reserve Account Funding Amount	42, 106	TARGET Settlement Day	4, 82, 107
Residual Class	88, 106	Tax	49
Restructuring	35	Tax Redemption Date	85, 107
Reverse Order of Seniority	106	Tax Redemption Event	85, 107
S&P	2, 106	Tax Swap Termination Event	49, 107
Scheduled Maturity Date	85, 106	Termination Date	99, 107
Scheduled Redemption Date	22	Third Loss Tranche	107
Scheduled Termination Date	47, 106	Tranche	34, 107
Screen Rate	83, 106	Transaction Documents	107
Second Loss Tranche	106	Transaction Participant	6
Second Meeting	106	Transaction Participants	6
Secured Parties	106	Trust Deed	74, 107
Secured Property	80, 106	Trustee	17, 74
Securities Act	3, 106	Trustee Management Agreement	69
Security	80, 106	Weighted Average Rabobank Risk Rating	56
Security Documents	107	Worked Out Reference Obligation	38, 107

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